







Hanging in the balance: A hang glider taking off from Dunstable Downs yesterday against the background of the London Gliding Club. Adherents of the two sports, despite their similarities, are at loggerheads. Owners of hang gliders find Totternhoe Pastures, which are owned by Bedfordshire County Council, a good place from which to launch themselves, but for the

London Gliding Club, which has been using the airfield for 50 years, the hang gliders represent an uncontrolled danger as they compete for the same air space. The club feels that a fatal collision is probable rather than possible. After inconclusive legal action against three hang glider pilots, the county council is to take the matter to the Civil Aviation Authority.

## NEWS IN SUMMARY

### High budget pledge by new leader

The new left-wing Labour leader of Merseyside County Council said after his election yesterday that the council's budget for the coming year would be well above the Government limit of £140m. (Our Liverpool correspondent writes).

Mr Keva Coomes, aged 32, replaces Mr James Stuart-Cole, who resigned as council leader last year when he could not get the Labour group to agree to a more moderate budget of £157m. Tonight Mr Coomes, a solicitor, will chair the group meeting which will decide the budget recommendation to be put to the council tomorrow. Left-wing members are pressing for a £169m budget, which would lead to Government financial penalties.

A yesterday's group meeting Mr John Duncan collapsed and died. He represented the Newton-le-Willows ward at St Helens.

### New coxswain at Penlee

Mr Kenneth Thomas, aged 32, was named yesterday as the new coxswain of the Penlee lifeboat, at Mousehole, in Cornwall (Craig Seton writes). He succeeds Mr Trevelyan Richards, who died with his seven crew in December when the lifeboat the *Solomon Brown* sank off Land's End.

Mr Thomas, who is married with five children, has been a fisherman for 17 years. He has not served with the lifeboat service and will undergo training before taking charge of the Guy and Clara Hunter department boat at Mousehole. Dr Dennis Leslie, chairman of the Penlee Lifeboat Committee, said last night that Mr Thomas fulfilled all the necessary criteria to make a good coxswain. He was a man who others would unhesitatingly serve.

### More women at Oxford

The number of women entering Oxford University in October will be a record for the third successive year (Our Oxford Correspondent writes). Places have been offered to 1,109 women and 1,731 men, out of the 7,539 applicants. Last year 1,739 men and 1,097 women were successful. Maintained schools provided 1,404 of the new students, independent schools 1,325 and other schools 111.

### Children in care 'had to go home'

Mr Gilbert Hodgkinson, the Wolverhampton social services chief, yesterday defended the decision of his department to let five children in care go back to Mrs Carmita Saul, their mother, in Belize in Central America, where one of them, it was reported yesterday, is now forced to live with young criminals in a reformatory (Our Wolverhampton Correspondent writes).

"They were most disturbed and they wanted to go home to their mother," he said. "Children had been in party care and if either parent wanted them back, provided conditions were favourable, the department had to turn them."

### Chemists seek more cash

Chemists want the Government to pay them more for well as for dispensing medicines. The Pharmaceutical Services Negotiating Committee decided at its annual conference in London yesterday to press the Government for an extra allowance to cover advice given on minor illnesses.

## TUC may expel Equity in ballot cash dispute

By Paul Roudedge, Labour Editor

The first breach of the trade unions' boycott of state funds for secret ballots to elect their leaders may bring about the expulsion from the TUC of Equity, the 28,000-member actors' union. Equity has applied to the Government for money available under the Employment Act, 1980, for reimbursement for money spent on postage and stationery in internal elections and policy referendums.

Mr Alan Sapper, chairman of the TUC and general secretary of ACTT, the cine technicians' union, said yesterday that the decision was dangerous and damaging because the labour movement was trying to put on a united front against further union law changes proposed by Mr Norman Tebbit, Secretary of State for Employment.

"I think Equity will have to recognize that they will face disciplinary action," he said. The TUC is expected to confirm soon a hard-line policy stating that affiliates "shall not seek or accept public funds for union ballots". Mr Len Murray, the TUC's general secretary, has said that unions "breaching the boycott face disciplinary action".

under congress rule 13, which provides for suspension and expulsion. Equity was banned from the TUC for several years in the early 1970's. Ironically, it was for defying TUC policy on state registration, in order to defend its right to a closed shop with theatrical and entertainment employers, which would now be extremely difficult to introduce under the new labour reform laws. It was one of 20 affiliates expelled at the 1973 congress, but it was allowed back when the Industrial Relations Act, 1971, had been repealed.

The ruling 60-member council of Equity voted by a clear, "but not massive, majority" to apply to the Certification Officer for reimbursement of £10,000 of money spent last year in the light of a £100,000 loss in 1981, top-level sources state.

But the move was also seen yesterday as a continuation of the long political battle within Equity between moderates such as Mr Nigel Davenport and Mr Marius Goring, and left-wingers, including Trotskyists such as Ms Vanessa Redgrave and her brother, Corin.

Mr Peter Plouviez, the union's general secretary, is understood to have opposed strongly the application, which could technically put Equity's membership at risk from "poaching" by other unions if it is expelled from the TUC and loses the protection of the TUC's Bridlington agreement, which forbids inter-union membership raids.

However, passions over legislation on the unions is running even higher today than it was a decade ago, and Mr Sapper hinted yesterday that there was a real risk of expulsion. Equity's place in the Confederation of Entertainment Unions would then have to be reviewed.

Mr Sidney Weighell, general secretary of the National Union of Railwaymen, called at the weekend for a "united and effective campaign" against Mr Tebbit's proposals, and the Communist Party is to publish its strategy of opposition today. Mr Michael Costello, the party's national industrial organizer, says: "A programme of mounting industrial protest against the Tebbit Bill will be essential to defeat it."

## INJUSTICE CLAIM OVER LEGAL AID

By Frances Gibb

The Government's policy of cutting criminal legal aid is creating serious injustices and even illegality in some magistrates' courts, the Legal Action Group of lawyers states.

The group says in its March bulletin, published today, that unpublished orders in the Lord Chancellor's department show one magistrate's court, Waltham Forest, to have increased its rate of refusing legal aid by 400 per cent over three months.

In one case a married couple living on supplementary benefit had to represent themselves after being refused legal aid three times, the bulletin says.

This latest disclosure coincides with a letter from Lord Hailsham of St Marylebone, the Lord Chancellor, which he concedes that disparities between courts in refusing legal aid, highlighted in the group's February bulletin, are "striking".

In a letter to Mr Ole Hansen, codirector of LAG, he says officials of the Lord Chancellor's department will conduct a survey later this year to determine why the disparities exist. Mr Hansen said yesterday: "We are worried that this is just a move to allay public concern."

The group is pressing for an amendment to the Legal Aid Bill now going through Parliament, which would give defendants a statutory right of appeal against a refusal of legal aid.

"Either courts are wrongly refusing legal aid on a large scale, or the system of appeal is urgently needed, or it is only happening in a few courts, in which case it will not cost very much but will remove serious individual anomalies," he said.

According to the group's bulletin, Government figures show that between March and June, 1981, Waltham Forest magistrates increased the percentage of legal aid refusals from 5 to 23 per cent. By the end of the year they were running at 23.6 per cent. The rise in refusals, it says, coincides with a circular from the Lord Chancellor's Department asking courts to tighten up on permitting legal aid.

### Print talks fail

Negotiations for a new national agreement between the Newspaper Society and the printing unions have broken down. The society had offered an increase of 8 per cent, amounting to £5.50 a week on basic rates and the unions had claimed up to £11 a week.

## Catering staff to join porters' strike at Bart's

By a staff reporter

A strike by porters at St Bartholomew's Hospital, in Smithfield, London, was intensified over the weekend and today members of the National Union of Public Employees on the catering staff are to join their union colleagues on the picket line.

A picket by porters at the hospital was prepared to turn away ambulances, but yesterday no ambulances presented themselves. A patient needing a transfer to another hospital had to travel by taxi. The porters, all of whom work shifts providing 24-hour cover, are in dispute over new work rosters which were due to be implemented last Monday.

Mr Anthony Mowan, the hospital administrator, said that about twenty-five shift porters had gone on strike, but six had agreed to work the new arrangements. Despite almost two years of negotiations, the management could not agree new rosters with the porters, he said.

Mr Dennis Renton, a spokesman for the striking porters, said: "Our intention is not to endanger life."

Mr Renton, who has worked as a shift porter at the hospital for 14 years, said the hospital management had tried to alter their hours against the wishes of the shift porters. "We asked to go through the national dispute procedure which means going to an independent tribunal. This was first agreed by the hospital and then rejected."

Mr Mowan is to meet the shop stewards concerned today.

## 90% for lead-free petrol

By a staff reporter

Overwhelming public support for a ban on lead in petrol even if it means higher petrol prices is indicated by a MORI opinion poll published yesterday. The poll, conducted for CLEAR, the campaign for lead-free air, shows that nine out of 10 people in Britain believe lead in petrol is a health hazard and want it banned.

Dr Robin Russell Jones, deputy chairman of the campaign, said yesterday that the result demolished one of the last remaining arguments used by the Government against a ban, that motorists would not be prepared to pay the extra cost, he said.

The poll, which disclosed that only 6 per cent supported the Government's view that a ban was unnecessary, provides ammunition for the campaign. Already since the launch-



NUPE stand: A picket on duty outside St Bartholomew's Hospital.

## A fight to the finish in Ireland

From Richard Ford Belfast

The struggle between Ireland's two main political parties for enough independent support to form the next government is likely to continue until shortly before the Dail votes at Leinster House tomorrow.

A series of crucial meetings will be held in Dublin today to determine whether Dr Garret FitzGerald, the outgoing Prime Minister, or Mr Charles Haughey, the Opposition leader, will form the republic's next minority government.

Mr Haughey, leader of Fianna Fail, with 81 deputies, needs the support of two independents to secure a majority. Mr Neil Blaney, a former Fianna Fail member, is almost certain to vote for his old colleague, so Mr Haughey has been concentrating his efforts on Mr Tony Gregory, independent Community MP for Dublin Central.

Dr FitzGerald, with 63 Fine Gael deputies, needs the support of the Labour Party and the five left-wing independents. He is understood to have offered changes in his budget strategy, omitting the measures which removed subsidies on milk and butter and put VAT on clothing and footwear.

The Labour Party's parliamentary party and its administrative council meet tonight to decide whether to form another coalition with Fine Gael.

The seven sought-after independents are: Mr Kenneth Gallagher, aged 45, socialist MP for Limerick East, a former stonemason. He was a Labour party member from 1963 to 1972, and founded the Limerick socialist newspaper. He won the seat in 1973 after contesting it since 1973.

Mr Joe Sherlock, aged 48, SFWP MP for Cork East. He won the seat in 1981 after contesting it since 1973. Married with three children, he left school at 14 and is a former official of the Irish Transport and General Workers Union.

Proinsias de Rossa, aged 42, SFWP MP for Dublin North West, joined old Sinn Fein party and was interned between 1957 and 1959. Paddy Kirby, aged 36, SFWP MP for Waterford, the seat he took from the chairman of Fianna Fail. Married with two children, he is a newspaper proof reader. He has been a member of Wexford Corporation since 1974 and won his parliamentary seat at the third attempt.

Mr Tony Gregory, aged 34, independent Community MP for Dublin Central, a history and French teacher educated at University College, Dublin. As a former member of Official Sinn Fein, he helped the late Seamus Costello in campaigns. He is a Dublin city councillor and supported the H-bomb hunger strikers.

Mr Neil Blaney, aged 59, independent Fianna Fail MP for Donegal North East, and a member of the European Parliament. He was expelled from Fianna Fail in 1971 after serving in Mr Jack Lynch's government, from which he was dismissed, with Mr Haughey, in 1970.

Dr John O'Connell, the Speaker, aged 52, independent MP for Dublin South Central, who was a Labour Party member from 1965 until his expulsion in 1981. A friend of Mr Haughey.

## Tuite charged with causing explosions

Gerard Tuite, who has been sought by Scotland Yard for the last 15 months, made legal history on Saturday when he was charged in Dublin with crimes allegedly committed in Britain (Our Dublin Correspondent writes).

Mr Tuite was charged in Dublin's Special Criminal Court with causing explosions in England and with possessing explosive substances with intent to endanger life or cause serious injury to property in England in 1978 and 1979.

## Caravan school for two after caning

By Craig Seton

Two Cornish children are receiving lessons in a caravan at the home of a teacher after their parents withdrew them from the local primary school over allegations that the headmaster caned pupils for trivial offences.

The mother of Hannah Wadge, aged 11, alleged yesterday that her daughter had been caned for whispering in class at the Althurn Primary School, near Launceston, even though Mr Steven Griffiths, the master, had been told that she was an epileptic.

Cornwall County Council has referred the allegation of excessive caning to an education subcommittee for investigation. Mr Norman Barr, the deputy chief education officer, said yesterday that the school's governors had twice considered the matter but had reported that they were satisfied with the way the school was run. Other parents have expressed their support for Mr Griffiths.

The Society of Teachers Opposed to Physical Punishment (STOPP) has published a highly critical report on Mr Griffiths' methods and has asked Sir Keith Joseph, the Secretary of State for Education, to order an inquiry into the running of the school, which has 80 pupils.

Hannah Wadge and another former pupil, Jayne Burford, aged nine, a farmer's daughter, are now being taught at the home of Mrs Christine Herries, aged 35, who was a teacher at the school on a temporary contract. She said her contract was not renewed by the education authority after she had supported allegations against Mr Griffiths.

Mrs Herries who is not

charging for the education of the two children in a caravan in the garden of her remote bungalow on the edge of Bodmin Moor, says that the parents of another half-dozen pupils are considering removing their children from the school and letting her educate them.

She said 32 parents had signed a letter asking for Mr Griffiths to be removed, but without success. The two children she was teaching came to her five days a week, she said.

Mrs Wadge said: "I wish I had moved Hannah a long time ago. She used to make up excuses so that she did not have to go to school but now she is a happy child, no longer frightened, and is happy to learn."

Mr Griffiths, the head at Althurn for 14 years, refused to comment and referred calls to the education authority.

Educationists opposed to corporal punishment are urging Sir Keith Joseph to bring forward emergency legislation outlawing the cane and tawse (a Staff Reporter writes).

STOPP in a letter to Sir Keith published today asked him to take action before other parents follow the example of the mother who recently won damages from the Government in a case in the European Court of Human Rights.

STOPP also complained that Mr Rhodes Boyson, Under-Secretary of State for Education, had supported beating and condemned STOPP while being the minister responsible for circulating local education authorities on such matters.

## At least 56 crimes an hour in London

By Stewart Tandler, Crime Reporter

A pattern of rising crime on the streets of London is expected to be unveiled this week when the Metropolitan Police release serious crime figures for last year. Returns for the first nine months already indicate rises in most categories of crime.

The total number of serious crimes recorded in 1980 was 534,137, while the figure for the first nine months of 1981 was 459,274. That means that between January and September last year, in each hour of the day there were 22 crimes involving cars, 16 burglaries, 15 thefts, at least two incidents of robbery and violent theft such as mugging, and 1.8 assaults.

The likely increase in the crime figures for last year represents a continuation of a trend that began in 1980 and covers a year which saw street disorder in Brixton, Southall and Wood Green.

The only consolation for Scotland Yard is that this month they will have reached their full complement of 26,000 officers and the figures may provide an opportunity to urge the Home Office once again to increase London's complement to a more realistic figure of more than 31,000.

Senior officers have argued that the police are stretched in fighting street crime in London as well as maintaining specialist duties such as the diplomatic patrol group, the anti-terrorist

squad. 300 officers now stationed to guard Parliament and other demands in the policing of Britain's capital city.

In the first nine months of last year, assault cases totalled 12,320, compared with a 1980 total of 16,139, including homicide. Cases of robbery and violent theft came to 13,519 between January and September, against 13,984 for the previous year.

The figures include mugging, and 1 district, which covers Brixton, accounted for 1,772 cases of robbery and violent theft in the first nine months, giving the district the highest figures in London.

## Witch-hunt fear at Amnesty

By a staff reporter

Members of the medical profession, concerned about the circumstances of the resignation of Mr Jeremy Thorpe as director of the British section of Amnesty International, are waiting to see what happens next before they commit themselves to further support.

The section's medical group yesterday supported Mr James Nichol, London regional representative, who resigned on Friday, saying, "I do not believe that I have fully understood all that has happened or that has failed to happen."

They fear that any further witch-hunting may damage Amnesty's reputation irreparably in Britain. The group has about 300 members in this country, as well as claiming considerable support abroad, and Miss Elizabeth Gordon, a consultant surgeon and chairman of the group, fears that the support for the medical profession will wane.

She was referring to a report that a council member, Mr Sayeed Shah, was seeking support for an emergency meeting next Saturday to press for the resignation of Mr Roger Briottet, the section's chairman.

## Space shuttle to keep Kent comet research

By Pearce Wright, Science Editor

The American space shuttle Columbia will carry equipment for basic scientific research in orbit for the first time on its third test flight, due to begin on March 22. The payload of nine experiments includes a project designed at Kent University, Canterbury.

The flight is being called the Pathfinder Mission because it will test the shuttle's usefulness for fundamental science.

Kent University's contribution is the testing of a new method of analysing cosmic dust to improve understanding of the development of the solar system.

The experiment depends on a novel way of examining the tiny particles of dust, or micrometeorites, encountered in orbit. The procedure has been developed by a group led by Dr James McDonnell, a physicist, who began his research career in space sciences and astronomy at the Jodrell Bank radio telescope observatory of Manchester University.

The investigation is known formally as the microbe

about the evolution of the solar system and its planets. In particular, these particles are expected to increase understanding of the origins of comets and asteroids.

These are formed in different parts of the solar system, and it is assumed that they are composed of different materials.

By knowledge of the processes that might have formed these objects, it is still rudimentary and analyses of comets' low density material will always be deficient if studies rely on Earth-based work.

The MFE is constructed of aluminium foil sheets bonded by a plastic film. They are exposed to space during flight and examined after landing. Very light particles cannot penetrate the foil, but will form a hypervelocity impact crater on the surface.

Overseas selling prices

Amiga 500 £299.95, Amiga 600 £299.95, Amiga 1200 £399.95, Amiga 2000 £499.95, Amiga 3000 £599.95, Amiga 4000 £699.95, Amiga 5000 £799.95, Amiga 6000 £899.95, Amiga 7000 £999.95, Amiga 8000 £1099.95, Amiga 9000 £1199.95, Amiga 10000 £1299.95, Amiga 11000 £1399.95, Amiga 12000 £1499.95, Amiga 13000 £1599.95, Amiga 14000 £1699.95, Amiga 15000 £1799.95, Amiga 16000 £1899.95, Amiga 17000 £1999.95, Amiga 18000 £2099.95, Amiga 19000 £2199.95, Amiga 20000 £2299.95, Amiga 21000 £2399.95, Amiga 22000 £2499.95, Amiga 23000 £2599.95, Amiga 24000 £2699.95, Amiga 25000 £2799.95, Amiga 26000 £2899.95, Amiga 27000 £2999.95, Amiga 28000 £3099.95, Amiga 29000 £3199.95, Amiga 30000 £3299.95, Amiga 31000 £3399.95, Amiga 32000 £3499.95, Amiga 33000 £3599.95, Amiga 34000 £3699.95, Amiga 35000 £3799.95, Amiga 36000 £3899.95, Amiga 37000 £3999.95, Amiga 38000 £4099.95, Amiga 39000 £4199.95, Amiga 40000 £4299.95, Amiga 41000 £4399.95, Amiga 42000 £4499.95, Amiga 43000 £4599.95, Amiga 44000 £4699.95, Amiga 45000 £4799.95, Amiga 46000 £4899.95, Amiga 47000 £4999.95, Amiga 48000 £5099.95, Amiga 49000 £5199.95, Amiga 50000 £5299.95, Amiga 51000 £5399.95, Amiga 52000 £5499.95, Amiga 53000 £5599.95, Amiga 54000 £5699.95, Amiga 55000 £5799.95, Amiga 56000 £5899.95, Amiga 57000 £5999.95, Amiga 58000 £6099.95, Amiga 59000 £6199.95, Amiga 60000 £6299.95, Amiga 61000 £6399.95, Amiga 62000 £6499.95, Amiga 63000 £6599.95, Amiga 64000 £6699.95, Amiga 65000 £6799.95, Amiga 66000 £6899.95, Amiga 67000 £6999.95, Amiga 68000 £7099.95, Amiga 69000 £7199.95, Amiga 70000 £7299.95, Amiga 71000 £7399.95, Amiga 72000 £7499.95, Amiga 73000 £7599.95, Amiga 74000 £7699.95, Amiga 75000 £7799.95, Amiga 76000 £7899.95, Amiga 77000 £7999.95, Amiga 78000 £8099.95, Amiga 79000 £8199.95, Amiga 80000 £8299.95, Amiga 81000 £8399.95, Amiga 82000 £8499.95, Amiga 83000 £8599.95, Amiga 84000 £8699.95, Amiga 85000 £8799.95, Amiga 86000 £8899.95, Amiga 87000 £8999.95, Amiga 88000 £9099.95, Amiga 89000 £9199.95, Amiga 90000 £9299.95, Amiga 91000 £9399.95, Amiga 92000 £9499.95, Amiga 93000 £9599.95, Amiga 94000 £9699.95, Amiga 95000 £9799.95, Amiga 96000 £9899.95, Amiga 97000 £9999.95, Amiga 98000 £10099.95, Amiga 99000 £10199.95, Amiga 100000 £10299.95, Amiga 101000 £10399.95, Amiga 102000 £10499.95, Amiga 103000 £10599.95, Amiga 104000 £10699.95, Amiga 105000 £10799.95, Amiga 106000 £10899.95, Amiga 107000 £10999.95, Amiga 108000 £11099.95, Amiga 109000 £11199.95, Amiga 110000 £11299.95, Amiga 111000 £11399.95, Amiga 112000 £11499.95, Amiga 113000 £11599.95, Amiga 114000 £11699.95, Amiga 115000 £11799.95, Amiga 116000 £11899.95, Amiga 117000 £11999.95, Amiga 118000 £12099.95, Amiga 119000 £12199.95, Amiga 120000 £12299.95, Amiga 121000 £12399.95, Amiga 122000 £12499.95, Amiga 123000 £12599.95, Amiga 124000 £12699.95, Amiga 125000 £12799.95, Amiga 126000 £12899.95, Amiga 127000 £12999.95, Amiga 128000 £13099.95, Amiga 129000 £13199.95, Amiga 130000 £13299.95, Amiga 131000 £13399.95, Amiga 132000 £13499.95, Amiga 133000 £13599.95, Amiga 134000 £13699.95, Amiga 135000 £13799.95, Amiga 136000 £13899.95, Amiga 137000 £13999.95, Amiga 138000 £14099.95, Amiga 139000 £14199.95, Amiga 140000 £14299.95, Amiga 141000 £14399.95, Amiga 142000 £14499.95, Amiga 143000 £14599.95, Amiga 144000 £14699.95, Amiga 145000 £14799.95, Amiga 146000 £14899.95, Amiga 147000 £14999.95, Amiga 148000 £15099.95, Amiga 149000 £15199.95, Amiga 150000 £15299.95, Amiga 151000 £15399.95, Amiga 152000 £15499.95, Amiga 153000 £15599.95, Amiga 154000 £15699.95, Amiga 155000 £15799.95, Amiga 156000 £15899.95, Amiga 157000 £15999.95, Amiga 158000 £16099.95, Amiga 159000 £16199.95, Amiga 160000 £16299.95, Amiga 161000 £16399.95, Amiga 162000 £16499.95, Amiga 163000 £16599.95, Amiga 164000 £16699.95, Amiga 165000 £16799.95, Amiga 166000 £16899.95, Amiga 167000 £16999.95, Amiga 168000 £17099.95, Amiga 169000 £17199.95, Amiga 170000 £17299.95, Amiga 171000 £17399.95, Amiga 172000 £17499.95, Amiga 173000 £17599.95, Amiga 174000 £17699.95, Amiga 175000 £17799.95, Amiga 176000 £17899.95, Amiga 177000 £17999.95, Amiga 178000 £18099.95, Amiga 17900







# Poles fear Church will be next in firing line

From Roger Boyes, Warsaw, March 7

Poland's Roman Catholic Church is frightened that the martial law authorities are planning a full scale attack on it, a fear that is reinforced by the sentencing and investigation of two priests in the past few days.

Archbishop Jozef Glemp, the primate, is seeking a meeting with General Wojciech Jaruzelski, Prime Minister and party leader, to diffuse the tension and to consider ways in which a compromise can be found on the formation of a new union movement.

The Government has renewed talks with Mr Lech Walesa, the interned Solidarity leader, and with medium-level Solidarity activists. Mr Mieczyslaw Rakowski, the Deputy Prime Minister is due to hold talks with Mr Walesa this week after returning from Havana and, according to well informed sources, has already had one round of discussions with him.

Church sources in Cracow see two main threats to the Church position. First, the Government is trying to drive a wedge between priests and the underground movement; second, hardliners in regional party headquarters are trying to end the Church's influence in the educational system.

The first threat has led to speculation about black lists of priests to be arrested at some future date. At least one senior churchman confirmed to *The Times* last week that this list existed, though it was uncertain whether the arrests would be carried out.

The arrest and sentencing of one priest from Koszalin for slandering General Jaruzelski in a sermon is the most concrete sign of an imminent

crackdown, for it shows there is no immunity for words expressed in church. A military court sentenced him to three and a half years, and senior clergy met government officials at the weekend to discuss the implications of the sentence. Another priest is said by the Government to have hidden the gun that killed a militia sergeant in a tram in Warsaw recently.

The Church is anxious not to make these cases a cause celebre. Archbishop Glemp was expected to play it down in a sermon today. Sharp Church criticism of the sentencing might provoke a full propaganda blast from the Government and encourage local party zealots to attack the clergy. The Primate has consistently warned priests not to become involved in underground activities.

The focus of church activity in the provinces has been to intervene directly to help internees and their relatives. A vital function that could be banned by the martial law authorities should they unleash an anti-church campaign.

Cardinal Franciszek Macharski of Cracow 10 days ago established a committee for the help of internees which, using voluntary donations and Western assistance, provides legal aid for those arrested, bail for political prisoners and provides for the families of those who have been dismissed Solidarity members.

This has been tolerated so far — Cardinal Macharski said he has been reassured by General Jaruzelski that nothing would happen — but party zealots in Katowice near by have been ripping

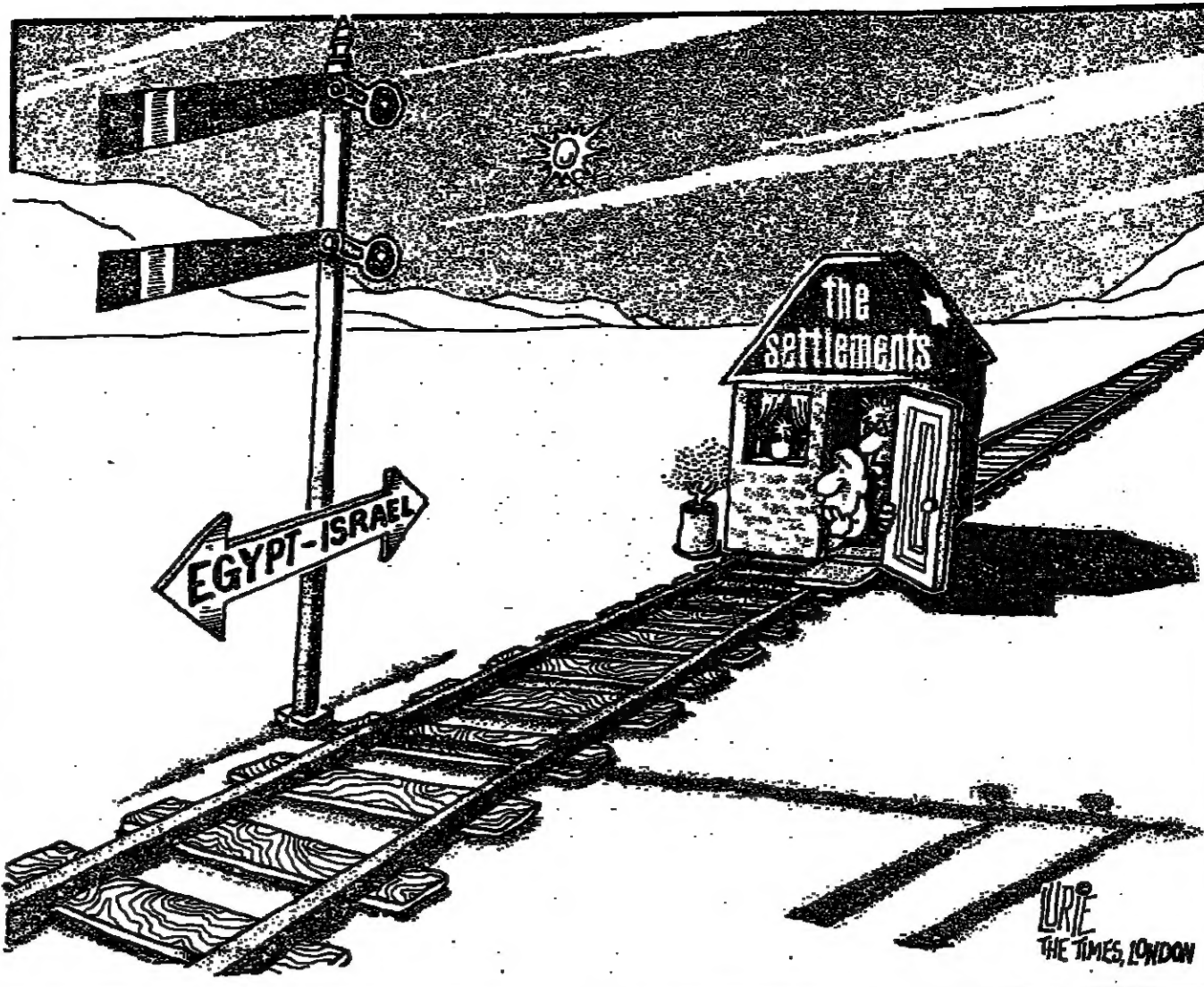
down crucifixes from schools and factories and sharply criticizing priests.

A course in Christian religion at the University of Slaski, Near Katowice, has been closed and the 125 students — it was one of the most popular courses — forced to change their studies. The rector and vice-rectors of the university, who allowed the course to come into being, have been interned and replaced by party members.

Between 12 and 20 priests have been interned during martial law, although most of them were released — after intervention by local bishops — within days of weeks. In the Cracow and Katowice areas two priests were interned: the Dominican monk, Father Jan Kloczowski, and Father Stanislaw Gebus of Czesochow.

Fears of a crackdown have cast shadows over two events of great symbolic importance. First, it is now possible that the Pope will postpone this visit to Poland scheduled for August. The new possible date is in October, to mark the canonization of a Pole who displayed particular courage in the concentration camps.

The second is the christening of Mr Walesa's child, Marie Victoria, originally due to be held today in Gdansk. Mrs Danuta Walesa, contracted from Warsaw, now says that the ceremony may take place on March 21. Mr Walesa's priest, Father Henryk Jankowski is even vaguer saying that it will only take place when the Government is prepared temporarily to release Mr Walesa to attend the ceremony.



## Nazi image knocked for sechs

From Patricia Clough, Bonn, March 7

Fears that the never-ending stream of war films, books and comics is perpetuating anti-German feeling in Britain have been allayed by a survey conducted for the West German Embassy in London.

It showed that only 12 per cent of young Britons imagined Germans were really like the sadistic SS, the evil Nazis, dimwitted camp guards or brutal soldiers of the war films. The survey, conducted by the Mori opinion research firm, was of 500 young people aged between 15 and 20. Seventy-four per cent rejected the suggestion that war films showed Germans as they really were. Another 45 per cent denied that their age-group was influenced by reminders of the war.

Almost half thought that young Germans had very different attitudes from their parents and another 41 per cent thought too many war films were being shown on television.

Their view of Germans was far more strongly influenced by television news and documentaries about modern Germany and by what they learnt in school than by war stories.

A large majority — 64 per cent — said they had friendly feelings towards West Germans and only 8 per cent felt ill-disposed to them. Of the latter, two thirds cited supposed faults of present-day Germans: arrogance, rudeness or unfriendliness.

**Mills stay shut**

Bombay. Textile mills in Bombay remained closed for the fortieth day as more than 250,000 workers stayed on strike in support of demands for higher pay, officials said.

## Arabs temper criticism of Mitterrand's Israel trip

From Robert Fisk, Beirut, March 7

President Mitterrand's unprecedented state visit to Israel was greeted with something less than enthusiasm by Arab leaders. They have variously interpreted the French leader's trip as a demonstration of support for Israeli policies, and as a calculated insult to the Arab cause in the Middle East.

The Syrian press claimed that the President's visit heralded "a new era of negative relations with the Arabs", and amounted to French approval of Israel's annexation of Golan.

In Kuwait, the state-run newspaper *Al Qabas* announced that Mitterrand had chosen to be "an enemy of the Arabs", and that his visit would "wipe out the fruits of the 25-year friendship between France and the Arab world".

These angry views, however, reflected irritation rather than fury on the part of Arab states, which have usually valued French mediation in the region, and which — especially in Syria's case — have strong Franco-philic sentiments.

In Jordan, and in most of the Gulf countries, Arab leaders preferred to remain silent. They are presumably anxious to discover just what leverage Mitterrand's visit may have obtained over the Palestinian question.

The Palestine Liberation Organisation adopted the same public attitude towards Mitterrand's visit as it once did towards Egypt's rapprochement with Israel: it

accused the French of being subservient to United States policies in the Middle East. A PLO spokesman said that France had now "cancelled its claim of being a mediator in the Arab-Israeli conflict". President Mitterrand was "falling in step with the United States", Mr Farouk Kaddoumi, the head of the PLO's Political Department, suggested that, if the French really wished to improve Franco-Arab relations, they should invite Mr Yasser Arafat, the PLO Chairman, for an official visit to Paris.

Only in Kuwait, which traditionally adopts a vocal, if rather too fashionable, anti-Western attitude, was Arab opinion expressed in an inordinate manner. *Al Qabas* urged other Arab states to take "concerted action" against French interests in the Gulf.

By contrast, the Saudis gave their cautious approval to President Mitterrand's visit "if it leads to a just and brave European stand" on the Arab-Israeli conflict.

Saudi Arabia's state radio observed that Mitterrand had outdone M. Valéry Giscard d'Estaing in his support for the Palestinian cause. "If the positive interpretation given to Mitterrand's trip is authentic," the radio said, "and if this leads to new and courageous European action, then the Arabs — all the Arabs — would welcome his visit to Israel".

If there appears to be confusion among the Arabs

about the real motives for the French visit to Israel, this only emphasizes Arab frustration at what they regard as European political weakness in the Middle East.

Many Arab leaders feel that the EEC's Venice Declaration, which called for the PLO to be associated with the Middle East peace process, has been largely disregarded by the Europeans, and that the initiative once proposed by Lord Carrington as EEC President has now been quietly forgotten.

Paris's President Mitterrand's own verdict on his visit coincides with that of French political circles, the press, and the man in the street, save where they are blinded by passion and prejudice. (Charles Harproux writes). It is the fact that it took place at all, and that he said the same things, clearly and simply, in Jerusalem as in Riyadh that is new and important.

The President is convinced that the effect of the three days he spent in Israel will be perceptible there and in the Arab states only in the medium and long term.

Inevitably he did not go as far as the Arabs and the PLO would have wished, and he went further than the Israelis liked. He thus deliberately ran the risk of displeasing both. But the feeling in Paris is that it would be a gross exaggeration to claim that the French Government has aligned itself with Israel.

## Israelis remove farm equipment from Sinai

From Moshe Brilliant, Tel Aviv, March 7

Seven weeks before the deadline for the evacuation of Sinai the Israelis today began removing the infrastructure from the prosperous desert farms they had created during their occupation.

Professor Ranan Weitz, head of the Zionist organizations settlement department, who was put in charge of the operation, said the Israelis will salvage sophisticated electronic equipment, modern packing houses and more than 100 acres of hot houses here valuable crops have been grown for European markets.

Earlier attempts to remove the equipment had been thwarted by militants opposed to the withdrawal who had squatted in farms where the work was to have been done and threatened violent resistance. Mr Ariel Sharon,

the Defence Minister, had earlier refused to order troops against the militants but toughened his stand against the squatters last week and on Friday promised to send in full military protection.

Equipment was removed today without opposition from Dikla, the settlement nearest the international border. The teams will go to Talmi Yosef tomorrow and will move steadily deeper into Sinai. The equipment was transferred to new settlements in Negev and the Gaza strip.

The Yamit area in Sinai was relatively relaxed today on the eve of the Purim Feast and it was thought the army will not press in with the campaign to evict troublemakers until after the holiday.

## IRAQ AND US ACCUSED OF SABOTAGE

Damascus, March 7. —

President Assad of Syria was carried through the streets of Damascus on the shoulders of his supporters today after a speech in which he accused Iraq and the United States of encouraging murder and sabotage in Syria.

Tens of thousands of Syrians turned out to hear the President speak from the balcony of the capital's guest palace and then marched with him in a procession to the People's Assembly (Parliament).

In his speech celebrating the anniversary of the 1963 revolution which brought the ruling Baath Party to power, President Assad said Iraq had smuggled arms and explosives with help from the American Central Intelligence Agency to the Muslim Brotherhood in the Syrian town of Hama.

The Brotherhood staged a bloody revolt in the town last month.

## BAGHDAD PEACE MISSION

Beirut, March 7. —

An Islamic peace mission arrived in Baghdad today as part of a new round of diplomatic efforts to try to end the Iraq war, now in its eighteenth month.

The official Iraqi news agency said the five-member delegation led by President Ahmed Sekou Toure of Guinea was greeted on arrival by President Saddam Hussein of Iraq. The agency said the delegation would have talks with Iraqi officials before returning to Jiddah to report to a peace committee of the 40-member Islamic Conference Organisation.

In Riyadh, Crown Prince Fahd held a meeting with Mr Yasser Arafat, chairman of the Palestine Liberation Organisation, and one of the nine members of the organization's peace committee, the Saudi press agency reported. — Reuters.

## Five killers await their fate

Cairo, March 7. —

President Mubarak, of Egypt, has begun the task of deciding the fate of Anwar Sadat's assassins. After a trial lasting more than three months, a military tribunal yesterday sentenced five defendants to death for their part in the assassination during a military parade last October.

Seventeen others were sent to jail for periods of between five years and life.

President Mubarak, as Supreme Commander of the Armed Forces, now has 30 days in which to ratify the death sentences, commute them or order a retrial.

Egypt's state-supervised press today expressed approval of the sentences, a view which was shared by many Egyptians interviewed in the streets of Cairo. The semi-official newspaper, *Al-Ahram*, quoted a verse from the Koran reading: "An eye for an eye and a tooth for a tooth and a life for a life".

In a front-page editorial, newspaper, *Al-Akhbar* said: "October 6 will remain in our history as a day of sadness when a group of terrorists used their bullets in an attempt to impose chaos by toppling the rule of justice". Of the sentences, it said: "We hope that (they) will serve notice on those who may be contemplating other acts of terrorism".

Many Egyptians interviewed by Reuters considered the death sentences fair. "It is up to President Mubarak now to show his people that terrorism is unacceptable in Egypt by approving the sentences", a shopkeeper said.

Those under sentence of death are four members of the "death squad", led by Lieutenant Khaled Ahmed Shawkhi, which mounted the attack on the reviewing stand where President Sadat and seven other people were shot. The fifth, Mr Muhammad Abdel-Salam Farag, was the man who supplied the ammunition.

## NEWS IN SUMMARY

### Nine killed in tanker explosion

New York. — A 44,881-ton oil tanker sank with nine of its 25 American crewmen missing, presumed dead, after an explosion about 750 miles east of Bermuda, United States Coast Guard reported.

The other crew of the United States registered Golden Dolphin, took to lifeboats and were picked up by the Swedish motor vessel Norrland. The Golden Dolphin was sailing empty from New Orleans to Port Said, the coast guard said.

The captain, who was not identified, was quoted as saying he believed that the nine missing men were killed by the explosion which was followed by a fire. "Apparently all nine were working in the tanks at the time", the Coast Guard said. The cause of the blast is not yet known.

### Smith loses another MP

Salisbury. — An eighth white MP has resigned from Zimbabwe's Republican Front because, he said, there was "something radically wrong" with the party of UDI (Stephen Taylor writes).

Mr Dennis Davis, a former chief whip and Mayor of Salisbury, announcing his decision, said: "I think I can get the ear of Government better by being an Independent than by being a member of the RF". As an Independent with the seven other rebels he would not "ridicule or denigrate the black man, as has been done in parliament by certain RF members".

### U2 flies into Mystery cloud

Topeka, Kansas. — An American U2 aircraft made three reconnaissance flights into a mysterious cloud surrounding the earth at an altitude of nearly 50,000ft, NASA said.

During its six-hour mission the aircraft gathered particles from the invisible cloud which is believed to be of volcanic origin and to contain nearly a million tons of debris.

NASA said that the cloud was too big to have been kicked up by a nuclear explosion that went undetected by American seismographs. Similar clouds have been seen in the atmosphere five times during the two years after volcanic eruptions, they said, but the origin of this one remained unknown.

### Unions pledge by prosecutor

Istanbul. — The trial of 52 leaders of the left-wing confederation of progressive trade unions (Disk) will not endanger workers' rights in Turkey, Colonel Sulaiman Takkeli, Istanbul's chief military prosecutor said.

He is presenting the case against the Disk leaders and said that the 52 men on trial for their lives were not charged for their union activities but for attempting to destroy the state and set up a Marxist-Leninist regime.

### Front line steps up ANC support

Maputo. — Six states in southern Africa decided to strengthen coordination of their military and economic policies in order to counter what they describe as "An undeclared war situation" provoked by South Africa.

At the end of a two-day meeting in Maputo, the presidents of Angola, Botswana, Mozambique, Tanzania and Zambia, and the Prime Minister of Zimbabwe, issued a communiqué which promised increased support for the African National Congress (ANC) of South Africa, so that the nationalist movement could "intensify the armed struggle for the attainment of national independence".

### White birth rate falls in S Africa

Johannesburg. — The birthrate of South Africa's white population is falling, mainly because Afrikaners are abandoning the concept of the large family. According to statistics published by the Human Sciences Research Council, the white birthrate has dropped from 23.2 per thousand in 1970 to 17 per thousand in 1977.

### Karamanlis cuts short Indian visit

Delhi. — President Constantine Karamanlis of Greece cut short his visit to Madras and left for Singapore en route to Sydney a day early, reports said. Before his departure, a statement said that Mr Karamanlis had to shorten his visit to India for "strictly technical reasons".

### Women gain time

Islamabad. — The Afghan Government granted 18 months' remission to women serving prison terms, Kabul radio, monitored here, said. The decision has been taken on the eve of International Women's Day.

## Haig stays his hand on Mexican initiative

From Nicholas Ashford, Washington, March 7

The United States and Mexico are in agreement about the urgency of the need to find a solution to the conflict in El Salvador; but they disagree over the issue of Nicaraguan aid to the El Salvador insurgents.

This was established in two and a half hours of talks in New York yesterday between Mr Alexander Haig, the Secretary of State, and Mr Jorge Castaneda, the Mexican Foreign Minister. The two men are to have a further meeting in a week.

Most of the meeting was devoted to a discussion of the Central American peace initiative which President Jose Lopez Portillo of Mexico announced last month but which so far has been largely ignored by the United States.

Mr Haig said after yesterday's talks that he had not rejected anything out of hand, which was taken as a sign that the Reagan Administration (under pressure from Congress and some of its allies) has decided to give serious consideration to the Mexican initiative.

Mr Haig pointed out that the Mexican plan failed to address the "essential and primary elements" of Nicaraguan backing for the left-wing insurgents in El Salvador, and he asked Mr Castaneda to add Nicaraguan non-intervention to the Mexican peace plan.

Mr Castaneda agreed that the question of foreign armaments in El Salvador was important but said it had to be settled in a wider context, in a system of trade-off between the United States and countries such as Cuba and Nicaragua.

The Mexican view is that the civil war in El Salvador is only one element of a general crisis in Central America and cannot be resolved in isolation. Mr Castaneda did not say what American concessions would be expected from such a trade off except that American military restraint and an end to verbal terrorism would be among them.

The main elements of President Lopez Portillo's peace initiative are a negotiated settlement for El Salvador, a non-aggression pact between the United States and Nicaragua and discussions between the United States and Cuba, Cuba and Nicaragua have welcomed the Mexican plan but the Reagan Administration has been non-committal.

However, the United States has made it clear it is opposed to a negotiated settlement in El Salvador, fearing this would fore-shadow a left-wing takeover. Instead, the United States is backing the elections which are due to be held on March 28. Mexican officials said they did not expect any significant change in the American position until after these elections.

San Salvador. El Salvador this weekend extended for a further month the limited state of emergency (AP and AFP report).

## Guatemalans go to poll

From Paul Kilman, Guatemala City, March 7

In the shadow of increasing political violence, Guatemalans today voted in elections that could either mark a first step towards a peaceful resolution of the country's problems or plunge it into a fresh, and even more profound, crisis.

The elections have been branded a "farce" by guerrillas fighting the present regime and the 48 hours which preceded the vote were marked by a series of guerrilla attacks in the capital and in rural areas.

The guerrillas also pulled off a propaganda coup by securing the publication of their manifesto in all local newspapers as a condition for the release of a kidnapped local journalist.

The manifesto was signed by the Guatemalan Labour party, which is one of four groups in the recently created guerrilla coalition, the Guatemalan National Revolutionary Union (UNRG).

Despite the continuing violence, polling in Guatemala City this morning appeared relatively brisk, although voter turnout in the past traditionally have been below 50 per cent in these capital and below 40 per cent in rural areas.

Apart from choosing among four presidential candidates, voters were also electing a new Congress and mayors of principal towns.

Although Guatemala has a long tradition of electoral fraud, the United States is hoping that today's poll will



Chinese checker: A Peking policeman stops a young cyclist and fines him one yuan (30 pence) for having no bell on his bicycle.

## Hunters begin killing seal pups

Cap-aux-Meules, Quebec, March 7. —

Canada's controversial seal pup hunt has begun today with a hunt in the west-northwest of the Magdalen Islands, with one observer putting the first day's kill at a possible 400 to 600 pups.

Fisheries Department marine biologist, who flew over the herd yesterday, said he estimated that there were 50,000 pups in the very large herd, covering an area 20 miles long and 60 miles wide.

He said he estimated that up to 60 per cent of the cow seals in the herd were pregnant and none of the pups already born was more than four days old. The biologist said the coats are at

their best for commercial fur after the pups are five days old.

The Greenpeace environmental group's ship, Rainbow Warrior, was approaching the seal hunt area to protest against the hunt, which began yesterday, but its progress was slow because of thick ice and high winds.

The hunt is also being observed by representatives of the World Society for Animal Protection from London and Boston. It began officially last week but its start was delayed until yesterday by bad weather and difficulties in locating a herd. The Canadian authorities have issued a number of permits allowing some mem-

bers of the protest group on the ice during the kill (Sally Macmillan writes from Charlottetown, Prince Edward Island).

Protest aircraft, however, have been banned from flying below 2,000 ft during the hunt and shipping vessels have been ordered to stop at least half a mile away from the site of the kill — an icebound area about 65 nautical miles north-east of the Quebec-owned Magdalen Islands.

Greenpeace Foundation protesters, however, hope to launch at least one hovercraft on to the ice with the aim of thwarting some of the hunters and as a means of avoiding arrest.

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5 JOHN STREET, IPSWICH, SUFFOLK.

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Director of Personnel,  
Hambros Bank Ltd.,  
41 Bishopsgate,  
London EC2.

January 1st, 1982.

Dear Sir,

I believe I have the qualities required to make a good  
merchant banker.

5 JOHN STREET, IPSWICH, SUFFOLK.

Recruitment Manager,  
Whitbread & Co. Ltd.,  
The Brewery,  
Chiswell Street,  
London EC1.

February 1st, 1982.

Dear Sir,

I believe I have the qualities required to make a good  
product manager.

5 JOHN STREET, IPSWICH, SUFFOLK.

Personnel Director,  
Collett, Dickenson, Pearce & Partners Ltd.,  
110 Euston Road,  
London NW1.

March 1st, 1982.

Dear Sir,

I believe I have the qualities required to make a good  
advertising executive.

5 JOHN STREET, IPSWICH, SUFFOLK.

Major John Floyd,  
Army Officer Entry,  
Lansdowne House,  
Berkeley Square,  
London W1.

August 1st, 1982.

Dear Sir,

I believe I have the qualities required to make a good  
army officer.

# One letter we'd rather not get.

We don't expect to be first on everyone's shopping list.

After all, we're looking for the brightest young people in the country.

And this puts us in competition with commerce, industry, the civil service and the professions.

But please don't write to us as a last resort. If you do, you're most unlikely to be the man we want. Because commitment is essential in an Army Officer.

Indeed, the sooner you apply the better, because it's going to take us both some time to be sure that we're suited to each other.

First, you'll need to know what the job entails. You may well have some preconceptions which are no longer accurate.

Perhaps your father did National Service; and, commissioned or not, he may have even enjoyed it.

But the Army you'll join is very different from his.

The people in it are all volunteers: well motivated, intelligent and self-reliant.

To quote German General Gert Schmücke, recent Deputy Supreme Allied Commander: "If all the members of NATO could muster the professionalism, verve and tireless enthusiasm displayed by the British Army, the citizens of Free Europe would have little to worry about in the defence of their countries."

The Army's technology has also taken a great leap forward. To the extent that a degree can now be a considerable help.

This year, 40% of our new officers will be graduates. Some before they join us, others with the help of Army Cadetships and Bursaries.

Write to Major John Floyd, Army Officer Entry, Dept. B 3, Lansdowne House, Berkeley Square, London W1X 6AA, and he'll tell you more about the Army, about its many Corps and Regiments, and about the different types of Commission.

He'll need to know your date of birth, your educational qualifications, and why you want to join us.

Then comes the hard part.

Selected candidates spend three and a half days at Westbury in Wiltshire with the Regular Commissions Board.

Here, we judge whether you have the mind, body and spirit to make a leader.

We'll brief you well beforehand and tell you how to prepare, because we want you to pass.

But the standard is necessarily high. Because when you're commissioned you'll be responsible for the lives and well-being of those under your command.

If you fail our interview, there is one consolation: you'll find the others much easier to take.



## Army Officer



# Legal, decent but can he be more truthful?

Budget purdah — the security regime that once a year turns Treasury mandarins into novice Trappists — has special uses for Chancellors. In the weeks before the Budget more people have audiences with Sir Geoffrey Howe than at any other time. At no time, however, do fewer hear him and more misunderstand the lawyer who for seven years has been the front-man for Mrs Thatcher's economic policy.

Since before Christmas Sir Geoffrey has been receiving embassies from beleaguered industrialists and MPs. They come bringing finely wrought offerings from the think-tanks of the CBI and the TUC, predictable platitudes from the boardrooms of brewers. They make impassioned pleas for expansion or protection, by pie charts of unemployment and squeals for more profits. The Chancellor just sits at the end of the table, twists his fingers where once he would have held a cigarette, and says nothing.

Purdah not only protects Budget secrets, it means that even the most unimpassioned incumbent of No 11 Downing Street can be silently impressive to people to whom he does not want to talk anyway. As one industrialist petitioner put it last week: "It is like appearing before one of the not-so-great Mogul emperors. Because he says so little, everyone goes away feeling he has beaten Howe in the argument. Of course, when the Budget turns out badly we'll probably end up feeling as though we've been stamped upon by the imperial elephant."

That was precisely what happened last year. The lobbyists, the press and sympathetic ministers thought they had won "a Budget for industry". Instead there came from the Chancellor's battered bag a £3,000m dose of deflation. To avoid a repeat performance tomorrow, the Prime Minister, two weeks ago, made her now-famous "Ulysses" speech, warning that expectations of the Budget were too high and that her Government would "resist the siren voices".

Whatever Sir Geoffrey's petitioners may like to think, the simple fact is that the Chancellor had already won his big battles on the economy before he met any of them. All that was left to fight were a few skirmishes over marginal land. As a Conservative backbencher put it — somewhat more astutely than the industrialist: "It's only by trying to lobby Sir Geoffrey Howe that you realise why Lady has a vocative of *mensa*: it was just like talking to a table."

There is, however, one important difference between tomorrow's Budget and last year's: tomorrow's is one year nearer to the next election. In that respect the Prime Minister's "Ulysses" speech could turn out to have more than just a short-term impact on the Chancellor's personal fortunes. Having assured herself that the battle over the policy has been won, Mrs Thatcher has decided to enter the growing fray over how that policy should be presented to the electorate.

Is it best to emphasize the Government's courage and constancy, to look backwards to the last manifesto, to mandate the Medium Term Financial Strategy? Should the Chancellor continue to send his Treasury incursions into Hoovering around Whitehall for every speck of evidence that

we are bottoming out of our recession? Or might it be better to follow the line of Francis Pym, Lord Hailsham and many of her own advisers, who warn that thwarted hopes are a greater electoral threat than the recession itself?

Could she not find a new occupant for Number 11, Downing Street who, without worrying the financial markets that there had been a change of policy, might present that policy in a brighter light?

Mrs Thatcher will certainly be cautious of the very idea of a change — not least because she knows that about half the calls for a new Chancellor come from colleagues who are opposed to the policy itself. She knows Sir Geoffrey well. Of all the Cabinet, he is the most doggedly loyal. He has the detailed, backward-looking mind of the successful lawyer that he once was and he is as politically dominated by her as any Chancellor since Anthony Barber, also a lawyer, served Edward Heath.

She is also very fond of him. He shares her own provincial middle-class background and indeed has stayed somewhat closer to the world of Port Talbot than she has to Grantham. His family — as all profiles will tell you in almost



which they at least could grapple. Arguing with Howe, while not always like talking to a table, is often like tugging with a ghost.

Some monetarists, on the other hand, see Howe's policy stance as unnecessarily inflexible. They argue that a man with an intuitive feel for the economy could have relaxed his targets to take account of the unexpectedly deep recession. Moreover, he could have done so while actually strengthening the confidence of the financial markets that he was sticking to his guns.

In a curious way, the Chancellor's dilemma over presenting his monetary policy closely mirrors the dilemma of presenting the real economy. The monetary targets are in almost as bad a state as the employment figures. What should one do? Change the target from sterling M3 to something else, admit one's mistakes, keep the rate of planned increase low and hope still to be able to consolidate the decline in our expectations?

Or should the Chancellor press on regardless, sticking to sterling M3, sticking close to the original Medium Term Financial Strategy figures, and putting on an unchanged face to a public which mostly

nel. After a week in which senior ministers — mostly for less than loyal reasons — had predicted a gloomy future picture, Mrs Thatcher felt compelled to choose the "crumbs of comfort" speech. But it was a close thing.

Last month Francis Pym followed his gloomy speech at the party conference with another prediction of continuing falling living standards and need to lower expectations. First reaction from the Chancellor and the Prime Minister was one of horror. The more considered reaction of Mrs Thatcher, at least, was that it had some good points about the way the next election might be fought. With three million unemployed and likely to remain so, perhaps the easy cynicism of the Macmillan-to-Callaghan years was no longer an option. Then came her "Ulysses" speech and some tough questioning about whether Sir Geoffrey Howe was the right man to start learning the new tune.

It is a finely balanced question for her to answer. The Chancellor has no significant personal following in Parliament or party but he plays an important personal role in maintaining the confidence of the City. He is no great orator but then his current key tenet — "maintaining steady but not excessive downward pressure on monetary aggregates" — might have tried the mind of Edmund Burke.

And who would replace him? Defence Secretary John Nott is probably first choice. He certainly "understands the policy" and would sell it with more freshness and vigour. But he is considered less "sound" than Sir Geoffrey and is currently under a small Downing Street cloud for his failures to control defence spending. Patrick Jenkin is often mentioned as a runner but is considered to be doing well at industry and unready for a new move. Nigel Lawson — increasingly seen as the Suslov of Mrs Thatcher's regime — could be promoted only over the dead body of Mr Whitelaw. The Chief Treasury Secretary, Leon Brittan, has almost all the disadvantages of Howe except that he is at least a new face.

A new face could in the end turn out to be enough. Tory strategists still remember what they call the "Healey factor" at the last election: the way they were able to taunt Denis Healey even after two years of virtual monetarism with all the excesses of his earlier years as Chancellor. Many of them would argue that cloning Sir Geoffrey Howe with Mr Brittan is a solution to suit all worlds.

The consensus is still, however, that Sir Geoffrey will end up the survivor — albeit encouraged to approach next year's Budget with a fresher act around the hustings. The Chancellor of the Exchequer is not only a maker of government economic policy but its living advertisement, its sandwich-board man. Most Conservatives — and most electors — would probably agree that Sir Geoffrey Howe reaches the required standard of being "legal, decent and honest", when it comes to all that talk about "bottoming out", they would just like him to be a bit more "truthful".

## Should the Chancellor send his information officers Hoovering around Whitehall for every speck of evidence that we are bottoming out of our recession?

## Or might it not be better to follow the line of advisers, who warn that thwarted hopes are a greater electoral threat than the recession itself?

### US challenges treaty on seabed resources

From Our Correspondent, New York, March 7

A treasure trove of strategic raw materials including thousands of millions of tons of potato-shaped nodules rich in manganese, nickel, copper and cobalt lying on the ocean floor — has been declared the common heritage of mankind by the third Law of the Sea conference, which resumes its extended negotiations at the United Nations tomorrow.

For the past seven years 150 rich and poor nations have been negotiating a draft treaty which would set new territorial limits, establish rules for passage through straits and seas, and create a regime to govern the exploration and recovery of seabed resources beyond national jurisdiction.

Ocean mining involves the commercial recovery of metal-bearing nodules found on the world's seabeds. Primary commercial interest is in those nodules deposited in three to five miles of water. These deep seabeds, which constitute about half of the earth's surface, offer a potentially increased supply of minerals important to the national economies and defence of the United States, Japan, the Soviet Union, China, and even land-locked nations.

The Law of the Sea conference was on the verge of completing a treaty last year. It had drafted a text totalling 175 pages in 17 parts with 320 articles and eight annexes. It had reached agreement on such crucial issues as 12-mile territorial limits, 200 mile economic zones, and navigational

### Soviet pipeline controversy Cold war lobby grows in Congress

From Nicholas Ashford and Bailey Morris, Washington, March 7

The Reagan Administration is wading a difficult path as it reopens discussions with Europe this week on the Siberian gas pipeline and possible further economic sanctions against the Soviet Union.

The 3,600-mile pipeline has become an important political issue in the United States, in which Administration conservatives and moderates are pitted against each other in a classic bureaucratic struggle for control of East-West policy.

The high-level debate over the pipeline, seen here as a symbol of Soviet exploitation of East-West détente, is accelerating a deepening mood of isolationism in Congress.

The United States believes the pipeline will not only make Western Europe too dependent on the Soviet Union for energy and therefore open to Soviet blackmail, but the \$10,000m (about £5,000m) or more that the Russians will earn in hard currency from selling the gas will enable Moscow to devote more money to its arms buildup.

Taken together, these developments and European anger at American attempts to halt the pipeline, threaten further damage to the already strained Western alliance. This is why the United States delegation, led by Mr James Buckley, Under-Secretary of State for Security Assistance, has a difficult and delicate mission when it arrives on Saturday for talks with senior European officials.

The Buckley delegation, which will also include Mr Marc Leland, Assistant Secretary of the Treasury, and Mr Lionel Olmer, Under-Secretary of Commerce, must return with both a face-saving position for President Reagan and one that will also satisfy European critics.

The task is made more difficult in the light of the belief of senior Reagan officials that the pipeline decision has already been resolved in favour of the moderates led by Mr Alexander Haig, the Secretary of State, and against the hardliners led by Caspar Weinberger, the Defence Secretary.

Even though the Administration insists publicly that no final decision has been taken, senior officials say the very fact that Mr Reagan delayed tougher action on the pipeline indicates that Mr Haig has won an important battle.

The issue was debated at length during a session of the National Security Council last week. At this meeting Mr Weinberger, supported by senior National Security Council officials, argued in favour of a tougher approach, calling for a ban on foreign subsidiaries of American firms from supplying vital equipment for the pipeline.

He particularly wanted to stop British, German and Italian subsidiaries of General Electric delivering turbines and compressors worth more than \$1,000m.

According to a Pentagon official such a ban would delay completion of the

### Indonesian bible gets Malay ban

From M. G. G. Pillai, Kuala Lumpur, March 7

The Malaysian Government has banned the Alkitab, the Indonesian translation of the Bible, because it contains references to Allah. The Home Ministry says this is against the teachings of Islam. Any church or individual found in possession of the Alkitab is liable to penalties which include imprisonment.

The problem arises because the Indonesians do not distinguish between Allah and Tuhan, as the Malaysians do, for the Muslim and non-Muslim God.

The Malaysians insist that the proscribed book cannot be the Bible, but priests from both the Protestant and Catholic churches say that they use the Alkitab as the Bible in their regular Malay language services, and have done so for more than a decade.

The Alkitab is a direct translation from the New Testament in Greek and the Old Testament in Hebrew, and is published under the direction of the Supreme Council of Indonesian Churches.

The ban has now become a sensitive political issue, in view of the forthcoming elections.

The Government's dilemma stems from the need to encourage the national language, while controlling the spread of Christianity among the Muslim population. Under both the Malaysian constitution and local practice, Muslims cannot be converted to other faiths. The churches themselves are treading very carefully.

### Ugandans accept UK troops

From Charles Harrison, Nairobi, March 7

The Ugandan Government has agreed on terms and conditions for a 36-man Commonwealth military training team, after at first rejecting proposals put forward by the Commonwealth Secretariat. The first members of the team, including Colonel Clavering, its British commander, arrived here this weekend en route to Kampala.

Mr Paulo Muvunga, the Ugandan vice-president and defence minister, said earlier that Uganda would not agree to give the team diplomatic status, but this weekend he said matters had now been settled to Uganda's satisfaction.

The team, including a contingent from Britain, is to work at Jinja barracks, 50 miles east of Kampala, the original base of the Uganda battalion of the King's African Rifles before Uganda achieved independence in 1962.

The Commonwealth responded to a Ugandan request for the training team to improve discipline and efficiency in the Ugandan army, which has frequently been accused of robbing and killing civilians.

Last week the Roman Catholic Archbishop of Uganda, Cardinal Emmanuel Nsubuga, made a strong protest after armed soldiers entered his cathedral in Kampala during mass and forced out priests and congregation.

The soldiers were searching for arms after a guerrilla attack in Kampala during which mortars were fired from near the cathedral.

سكوت من الاصل



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## New voices in a dramatic dialogue

## Television

As a new season of German drama opens in London Irving Wardle argues that it is time we started listening to what a new generation of writers has to say

Do the names of Maria Reinhard, Peter Turrini, Stefan Schütz and Horst Lauth mean anything to you? If not, let me identify them as some of the writers whose work is appearing in the Soho Poly's six-week German theatre season starting today. For the moment, that is all I have to say on the matter, as they are new names to me as well.

This would not be the case if I were announcing a season of new English plays in a German newspaper. The names of Bond, Shaffer, Pinter and a whole string of others would need no introduction with German theatres falling over each other to claim the latest British playwright. There would be no need for a special season anyway. Do we need one over here? Could it be that the Soho Poly team are unfamiliar to us because their appeal is confined to German-speaking audiences and that we can produce better work of our own?

In terms of market forces, the answer is yes. Every few years bring another miraculous crop of new writers whose work moves from the fringe to the international scene as securely as Victorian cotton. I have never understood what distinguishes national from international material. You might suppose that comedies dealing with specifically English quirks of character would be for English audiences only. But Ayckbourn sells abroad by the ton, where Alan

Bennett does not; and Peter Nichols — the most acute of all specialists in English middle-class life — has never achieved a London run of more than six months, and finds his main platform on other stages. Whatever the reason, it is clear that a large cross-section of British playwrights — from what David Mercer once described as the "dark, significant talents to the ones that make money" — are kept going by their foreign royalties; and from no country more than Germany.

To us the German theatre means three things: directors, architecture and gigantic subsidies. Its image is well summed up in the words of one German Intendant, overheard by Martin Esslin on his way out of a Bond premiere at the Royal Court. "Thank God," said the visiting author, "Everything's still to be done. They only played the text." And having witnessed a monumental Berlin version of *The Sea*, the character of Bond's undernourished draper transformed into a National Socialist screamer, I know just what that meant.

The same is true of English directors who take in engagements in German theatres. They come back with stories of absurdly inflated design budgets, actors who have to be moved around like chess pieces, and the interpretative excesses of their colleagues. Not many stories come back about new German plays, though: it is all about doing Chekov on



Fran Barber and Barry Phillips in Heiner Müller's *The Mission*.

sandbags, or playing *Coriolanus* in a mock-up of the New York Stock Exchange.

Before consigning Reinhard, Turrini and Co to their Teutonic oblivion, it is worth noting that it is not only their work that we have not seen. It is the German classics as well. I once asked Kenneth Tynan, the champion of Brecht and Rolf Hochhuth, why the National

Theatre had not included any of these hallowed texts in its museum of world drama. He gave me his literary managerial smile, and asked which play, in particular, I would like to see. Quite a choice. What about *Faust* for a start? He was not keen on the idea, and given the few dreadful productions that have struggled through — such as the Round House's Robin

Hood version of Schiller's *The Robbers* and the leaden academic exhumation of Goethe's *Iphigenia in Tauris* at the Open Space — perhaps he was right.

The writers who have got through to us are counter-classicists: Brecht, Wedekind and Brecht — iconoclastic poets working against the grain of the official culture. Not that every such writer gets through the net. We have yet to see anything by Büchner's marvellous contemporary Jakob Lenz, though the French have sensibly snapped him up. And, as for Kleist, the National Theatre is announcing its April production of *The Prince of Homburg* as the first appearance of the play in London.

If you canvassed the opinion of British playgoers, I think their verdict would be that only opposition voices, like Büchner's, are worth attention among the writers of the past; and that the only good living German playwrights are Austrian (like Handke and Wolfgang Bauer, who thoughtfully equips his pieces with English subtitles).

Official German culture is seen as a ponderous, gloomy mass. There may be some inherent national characteristics that support this idea. For instance, German actors have difficulty with improvisation because the verb has to come at the end of the sentence. And as their drama was originally so much identified with the cause of national unity and purity of language, it continues to resist the improvisations and dialects of living speech. But it still strikes me as a myopic absurdity that we should have open the door to artists of the opposition while preserv-

ing our ignorance of what they were reacting against.

Consider the two versions of Klaus Mann's *Mephisto*. In the Oxford Playhouse production, it came over as a pungent study of political compromise, focusing on the fellow-travelling case of a mountebank actor. In the German-language film, thanks to Klaus Maria Brandauer's performance, you saw the same dilemma applied to a great actor, an actor of the official tradition. Rehearsing the temptation of Faust, Brandauer began the scene as a mechanical exercise, and gradually took fire from the words, changing instant by instant (and without make-up) into the inhuman agility and phosphorescent glamour of Mephistopheles.

Whether the full force of classical German can ever be captured on the English stage, the Germans are our closest theatrical neighbours, and I wish we acknowledged this as freely as they do. We have been learning stagecraft from them ever since the arrival of the exiled Laban and Toller in the 1930s. Our notions of modern theatre-building and company organization derive from the German. We are still digesting the lessons of the Berliner Ensemble, and discovering how to play Brecht in English. It is time we started listening to their new writers as well. As Estelle Schacter, the organizer of the Soho Poly season says, "the parallels between the two societies are so rich... that cultural cross-pollination can only be beneficial to both". The first play, opening on Monday, is Heiner Müller's *The Mission*, a French Revolutionary piece asking whether the poor and unemployed have any alternative to violence.

Mrs Peters, plump and healthy-looking, seemed entirely at home helping the Muggers in their Sussan garden: a more incongruous setting for Stalin's daughter could not be imagined. It made BBC2's *A Week With Svetlana* on Saturday, the fifteenth anniversary of her defection, riveting.

Svetlana Alliluyeva, as she is better known, has been an occasional correspondent of Mr Muggers since she was taken by a book of his about Jesus. She was baptised secretly and riskily before her defection and remains very religious. Writing in 1980, she said she would like to talk to him about her life, which she sees as a saga, a satire and a tragedy all in one, "for the sake of those people who only watch good programmes on TV".

Last summer she came to Robertsbridge. It is hard to imagine Mr Muggers disconcerted by any visitation and here we saw him at his courteous, inquisitive ease. Svetlana talked about God, Jesus, her two children in Russia, "whose well-being depends on their being cut off from me" — and about her father and mother.

The latter committed suicide when she was six, a fact she discovered in the *Illustrated London News*, apparently a Kremlin perk. She confirmed it with an aunt. The suicide affected Stalin so much that an eye had to be kept on him to ensure that he didn't kill himself but he rallied by transmuting grief into anger. Svetlana recalled that as a child she had known him show great tenderness but said in later years they were estranged.

She described his incredible death. One evening he was found lying on the floor in his villa outside Moscow. As the fount of authority was speechless, nothing was done at first. Then down came the Politburo to take a peep. Beria decided Stalin was asleep, the maid was censured, and the Politburo departed. Hours later they had to come again.

The leader's indisposition had to go through the system. The Kremlin Hospital and the Academy of Sciences were informed while Stalin lay unattended. It was not until the following morning that a doctor came. Svetlana described how, dying, Stalin had looked round angry and frightened, raising a hand once as though to manifest a rage. It was not, she said, a peaceful death.

She married for the third time in 1945. He is now divorced and living with his daughter, aged 10. In Russia she has a grandson of the same age.

She considered that Russia would collapse from within, such was the alienation, was people from government, was asked by Mr Muggers, who is acutely aware of sin everywhere, whether she didn't think self-indulgence

might do for America, but didn't go far down that road. Credit goes to Jonathan Steadall for a good production and to Mr Muggers who made it possible.

LWT's *The South Bank Show* last night looked at the National Theatre preparing its first musical, *Gypsies and Dolls*, which opens at the Olivier Theatre tomorrow. It cost £24,000 to set up, said Melynn Bragg introducing it, is something of a gamble itself.

Certainly an air of defensiveness was about. Bob Hoskins, who will be Nathan Detroit, said there would be a lot of people ready to knock it and ask why the National should do it. Director Richard Eyre said he didn't think that was a question that needed an answer: a national theatre was in the business of presenting an international repertoire.

That didn't explain to me why they picked on a musical that, as he said, was "one hundred and five per cent American" but everyone was working hard, learning to hoof, talk American and do all the things that come so naturally on Broadway.

The programme was enlivened by Abe Burrows who wrote the dialogue that separated Frank Loesser's hits in the first place. If someone paid him a lot of money, he said, he'd come over and talk to the cast but really accents didn't matter too much, rhythm counted.



Svetlana Alliluyeva remembering

BBC2's *The Apprentice* last night deserves a mention. Produced by Michael Waldman it was about a jovial and hitherto unemployed man with work experience at an undertaker's. While it may have been over-informative on detail for some viewers, it was very well done and supported the view that every cloud has a silver lining.

Dennis Hackett

## Concerts

Coul Quartet  
Waterloo Room

Music is nothing if it does not change our minds, and so I am not astonished that the Coul Quartet should have quite altered my impression of Rubbra's First Quartet when on Friday evening I heard this play for the second time within recent weeks. Perhaps it is just that mildness takes a while to penetrate, whereas rhetoric instantly forces a response: certainly Christopher Brown's Second Quartet, heard immediately after the Rubbra, proved the latter case. Faced with raw expressiveness and oblivious of what is appropriate or plausible, it raged through 25 minutes and has, I find, pushed its way into my first paragraph when I was trying to write about Rubbra.

However, it is Rubbra's quiet strength that rests in the mind, not Brown's vehemence. The serene harmony of the work reminds me of Vaughan Williams, though it is the alert serenity of an active musical mind, and there are other predecessors whose composer has gathered into his fold. The moderately-paced opening movement, threaded by a single short motif, looks back to the earlier Haydn, who also, like Rubbra here, found release in final quick fugue for some of his most weighty serious quartet inventions.

## Queen Elizabeth Hall

## Orchestra/Ledger

It will be a long time before baroque music captured completely to the persuasive advocacy of those who play it by its own rules, as the enthusiasm of the large audience on Friday night for the London Bach Orchestra's concert clearly showed. It was more proof of what I have long suspected: that there is plenty of room for both purists and sinners, and a large space between them to fill.

The concert began a mite perversely, considering the orchestra's name, with a concerto grosso by Handel, the last of his Op 6 set. Here, as elsewhere, intonation was far from impeccable, but the phrasing in the faster movements was brightly enunciated, balancing the seamless cantilena in the famous *Larghetto*. It was a pity that at least one eighteenth-century convention, the placing of opposite sides, was not observed. Many a magical imitation thus had its effect dulled.

In Bach's A major harpsichord concerto, BWV 1055, forces were wisely placed: the timorous instrument was played impeccably, as far as could be judged, by the orchestra's director, Philip Ledger. This was cosy music-making, erring on the side of complacency in the simple movement, where the simple harpsichord's embellishments; but the rushing French figures of the finale compensated. A neat, well-oiled D minor concerto for violin and oboe, BWV 1060, later came from the violinist David Woodcock and the oboist Tess Miller.

Neither of two Vivaldi mandolin concertos sounded easy, with the composer seemingly

compromise his red-headed fury to suit the limitations of the solo instrument. Hugo D'Alton and, in a double concerto in G, James Tyler produced patches of amazingly sonorous tone colour in the upper register, even if they could not quite keep up with Vivaldi's alarming pace elsewhere.

Stephen Pettitt

Orchestra de Paris/  
Barenboim

## Barbican Hall

There has been a happy emphasis on the Entente Cordiale during the first days of the Barbican Centre, and it was appropriate that the first visiting orchestra there should be the leading one from France, Daniel Barenboim's Orchestra de Paris, under the sponsorship of the Banque Nationale de Paris.

The orchestra and Mr Barenboim — who have been together some seven years — have developed a close partnership, as the beginning of Beethoven's eighth symphony as he does: he plays on them as he would on the piano, with subtle gradations of tempo and touches of emphasis, to produce an unusually clear, deliberate and pointed reading, almost too personal for this public music effect.

The *Minuet*, too, was done in this faintly luxurious fashion, leisurely and weighty. The Fantastic Symphony was their other item, a big, theatrical performance that placed drama ahead of melody, and, perhaps properly, seemed to emphasize its irrational, dark, gothic elements. There was a frenetic air to the introduction, maximum passion to every movement in the main first movement, and later, plenty of vitality of rhythm and brilliance of colour and little of suggestive understatement. Mr Barenboim is not afraid of the vein of vulgarity that can strike through Berlioz's music, especially so generous in nervous energy, so strongly characterized.

This orchestra does not offer the warmth or richness that the LSO, tuned to the first tier, the sound was distinct and the balance true, with no harshness. There were one or two false notes, and the English ear does not always take happily to the French horn wobble, but the orchestra played with spirit, almost enough to parallel Mr Barenboim's vigorous direction.

Stanley Sadie

## Royal Ballet

## Sadler's Wells

The two revivals presented by Sadler's Wells Royal Ballet both exemplify styles of dancing which are not often attempted today. Greer Gore's *Confessional*, created in 1941, it takes as its two respects. It takes as its basis a poem by Robert Browning (ranting by Mary Cleland), and in adding a visual component, Gore built his choreography more from mime gestures than conventional dance steps.

The dance thus becomes almost a literary equivalent of the "music visualizations" of an earlier period. I can

think of no other ballet quite like it, the nearest approach being Gore's own later staging of Monteverdi's *Il Combattimento*, and it is surprising how well it managed in each case to convert what could have been a pedestrian translation into a limited but genuine dance.

*Confessional* is mainly a solo, with only a brief entry for a man who overwhelms the girl in a duet that is the unexpected creation. Carl Myers is excellent in that period of its creation. Carl Myers does not project a character as so vividly as previous interpreters, Sally Gilmour, but she brings an intensity and seriousness to the part which make her performance convincing.

Underneath the  
Arches

## Prince of Wales

I suppose it would have been tempting fate to have brought the Chichester Festival's Musical Celebration of the Crazy Gang back home to the Victoria Palace where the gang held sway for 15 years after the war. But the Prince of Wales still feels like a vaudeville house even since the "no smoking" signs went up, and for those with fond memories of the gang, and those (like me) who never saw them, Patrick Garland, Brian Glavin and Roy Budd have assembled a genuinely affectionate and extremely well organized group portrait of the last bastion of British music-hall.

The authors have the task of telling the life stories of Bud Flanagan and Chesney Allen, including a spot for the real Mr Allen whenever he decides to join in the show, introducing the rest of the gang, and pleasing old friends.

You realize that you are in safe hands from the early moment when Christopher Timothy — playing a grumpy straight-faced "formative years" speech only to be silenced by the rest of the team siding and ogling their way over the

stage with a succession of exclaiming one-liners.

What we get, in other words, is a history of the gang in the form of a gang show: a style as written into Terry Parsons's set, with its nostalgic false proscenium and footlights, coupled with a revolve that periodically brings realistic pieces into the foreground.

Another point about the subject is that where only old Victoria Palace fans remember the stage routines, every body loves the songs. And the show turns this to advantage by building narrative episodes around "Umbrella Man", "Hey Neighbour" and the title number.

Ches, retaining his eternal role as straight man, spends a good deal of the first half in charming Bud's early years, aided by company who speedily shed their purple ostrich feathers to enact the Weintraub family's march to Hamburg, the seedy supporting acts in the East End and his boyhood company and high-stepping ship's garrison.

The whole picture begins to come into focus. And the rich years of 1930s horse-racing (with full equestrian chorus

## Opera

## The Magic Flute

## Royal Academy of Music

Dame Eva Turner returned to her alma mater to receive, as a member of the audience, a most delightful birthday present: the Royal Academy's warm-hearted, light-filled student performance of *The Magic Flute*.

If Nicholas Hymner's production allowed for scarcely a breath of fear, a glimpse of true darkness or danger, trial or magic, it enchanted in increasingly its own cunningly original way. Earthly humane, yet never earth-bound, with Papageno and Sarastro's laws, its strong command was skilfully controlled, bouncing out of Andrew Porter's new, winsome, nursery-rhyming translation. No less little and careful was the Nicholas Cleburny's direction of the bright, transparent and in almost unflinching rapport with the stage.

It was the confident, finely judged dramatic and musical pacing, the polish of en-

semble and chorus, that held together so convincingly the daringly heterogeneous incident of this production. The central panel of Nicholas Ormerod's plain white set rose and fell to reveal a succession of toy theatre tableaux and characters: stepping from a rococo frame; a bookish temple of enlightened classical wisdom, with a genial, donnish Sarastro in Lawrence Wallingford; and, rather less successful, three elderly ladies, hamming along in 1940s evening dress.

Papageno as cockney tea lady complete with urn was nicely mated to Geoffrey Dolton's irresistible, bewildered Papageno. Both he and Peter Bronson, as Tamino, sang with bold, resonant ardour and a stamina that augurs well for three more performances (tonight, Monday and Tuesday) with no cast change. I feared more for the lasting power of Susan Bullock's brave but more joyfully at each successive performance. Only the ballerina part is, so far, not quite glittering enough. Margaret Barbieri, dancing the premiere with an injured foot, showed a feeling for the period style but lacked force and finish in her solos. Sherrilyn Kennedy subsequently brought a deliciously crisp brightness to the steps, but too modern a manner. Once they really were into it, this piece will be a winner.

Hilary Finch

The pas de six from *La Vivandiere* is almost a century older than *Confessional*. It was a showpiece added to one of his own ballets (but based on an earlier, smaller number) by another choreographer by Arthur Saint-Léon to show the brilliant skill of Fanny Puts paid to any belief that dance technique was much simpler in those days, or that male dancers always took a subordinate position.

Indeed, Roland Price's dancing in the man's role has been the outstanding success of the production. The series of *tours en l'air* ending his solo (four single four double, alternately right and left) are not quite immaculate, but happily spirited, and he

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John Percival



# A taxpayer's guide to Trident's true cost

By David Greenwood

The Cabinet will soon be asked to approve, and Parliament to endorse, a decision to spend around £8,000m (at today's prices) on a new strategic nuclear force.

When the Government first explored the options for replacing the ageing Polaris submarines it concluded that, of the alternatives available, the most sensible course was to acquire Trident missiles from the United States, develop a British warhead to put on them and construct a new class of nuclear-powered ballistic missile submarines (SSBNs) to put them in.

A deal was done with President Carter on the missile purchase. Preliminary work was set in hand on the warhead and on the design of the new SSBNs. The cost was put at up to £5,000m, at July 1980 prices and exchange rates, for a four-boat force.

There are several reasons why the price has leapt to £8,000m. First, the Reagan Administration intends to halt production of the missile which Britain had planned to buy — the Trident I (or C-4) system — and is pushing ahead with development of a bigger, longer-range, more potent weapon, the Trident II (or D-5).

Secondly, the SSBNs which Britain will have to build for the longer and faster rockets will themselves have to be longer and faster. Therefore they will be dearer.

Thirdly, the warhead to go with the more complex Trident II or D-5 delivery vehicle will almost certainly be a more complicated one than the original Trident I or C-4 missile would have needed. Thus the risk of cost escalation, enter the reckoning here as well.

A final reason why the bill for a new strategic nuclear force has gone up is that, since the original costing was done in mid-1980, prices in general have risen and the sterling-dollar exchange rate has moved unfavourably from the point of view of the United States.

The Government is making a determined effort to head off opposition to its intended £8,000m acquisition. It is

spend on a major weapons programme, and that the acquisition can be funded without detriment to the rest of the defence effort.

Going further, the most recent Government pronouncements have suggested that the United States might be prepared to let Britain have the missiles at a bargain price. And hints have been dropped that a purchase could open the door for British firms to participate in the multi-billion dollar programme for the Americans' own Trident force. All in all, it is beginning to sound too good to be true.

In fact what is happening is quite straightforward. Minds have been made up. The emphasis, in official utterances, is on making the Trident bill palatable, by judicious sugar-coating.

Putting it another way, the plea is that the proposed procurement be seen in "proper perspective". That means looking at it as the powers-that-be would prefer it to be viewed, from the most favourable angles, which are those from which the expenditure envisaged does not loom large and from which the whole deal can indeed appear attractive.

Thus it is impossible to take exception to what is being said, for instance, about the scale of the expenditure and about the potential employment benefit. From other standpoints, though, the proposition does look different; and for ministers to pretend otherwise is somewhat disingenuous.

Take the line that the aggregate expenditure of £8,000m spread over 15-20 years will absorb, on average, only 3 per cent of the defence budget. That may be true. But there are other ways of looking at the outlay. Its incidence will be uneven. In the later 1980s the programme will need around £750m annually, or 6 per cent of the overall budget, if the latter is the chosen benchmark.

However, at least 55 per cent of all defence spending goes on pay and pensions, boots and buildings. So the

Three observations must be made.

● Contrary to popular myth, you should always look gift-horses in the mouth. The notion that the United States may exact only a small percentage levy as a contribution to research and development expenses, for example, may not be quite what it appears to be. A small proportion of an unknown quantity is not an obvious bargain, especially given the known propensity of weapons development costs to escalate as time goes by.

● Even if British firms do get a chance to bid for business on the American missile programme, the chances of their getting much cannot be rated highly. Indeed it is inconceivable that the United States Administration, still less Congress, would allow foreign manufacturers a major role in a key strategic weapons acquisition.

● Even if the Americans do come through with a bargain basement price plus British participation in the programme, it should be remembered that the missile element in the Trident bill may be no more than one quarter of the whole. The rest is money for expenditure in Britain on a bigger submarine than anyone here has built before and on a warhead which takes the weapons developers too into unknown territory.

To conclude, Ministers have evidently, and appropriately, thought hard and long over the past few years about their nuclear policy options. But Mrs Thatcher is a determined lady. She means to stick to her missiles, even though their cost has risen and the new models on offer are more lavish than the old.

No worthwhile interest is served, however, by attempts to make out that the price is less than it really is. When what is intended is made known formally, in the next few weeks, the programme should be looked at from every angle and not just the way the Government presents it.

The author is Director of the Centre for Defence Studies at Aberdeen University.

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Moreover, it is self-evident that if Britain can afford £15-18,000m a year to defence through the rest of this decade (which is what we are being told), then some significant conventional force improvements could be had for the money that will be spent on Trident. Each chief of staff has his list, and would no doubt be delighted if asked to bring it out.

What, finally, of the most recent exercise in sugar-coating which has been undertaken, based on intimations that the Americans may sell their missiles to us at advantageous terms?

## Mr Papandreou, finding Greece a tricky ship to steer

Mario Modiano: assesses Greek prospects four months after the Socialists took over

Athens

The brand of socialism that Mr Andreas Papandreou envisages for Greece differs both from social democracy which, in his view, simply aspires to give the existing system a cosmetic facelift, and from East block socialism which bogs down under a centralized bureaucracy.

Addressing officials of his Pasok party as "comrades", he said recently: "Ours is the third road to socialism. We are trying to restructure society through democratic processes". He hopes, in fact, to make this third-road socialism a model for other countries in Europe and Latin America.

But before his formula, based on drastic decentralization and popular participation, can be exported, it must be shown to work at home. The Prime Minister seems determined to handle this slowly and has drawn a line between what the Government finds feasible and what Pasok considers desirable.

Above all, Mr Papandreou is trying to avoid a collision course with the powers-that-be — what he calls the economic oligarchy, the military, President Karamanlis, and the Americans. Priority is being given to consolidating his power.

Some years ago, while in opposition, he graphically illustrated these tactics. In an interview: "A ship setting out of Piraeus for Marseilles does not head for its destination on a beamline.

Her captain changes course, taking advantage of the sea, the winds and visibility."

The Government's ship, four and a half months after setting sail, is definitely off-course. But even if, occasionally, the charts get blurred, there is no mistaking the destination.

The aim is to conquer the centres of government power and make the process of change irreversible. The civil service is being purged, top jobs in state enterprises are assigned to party men, unions and farmer cooperatives are under siege, and provincial government is being reshaped.

At the same time the armed forces have been mollified by a largely untrammelled change of leadership coupled with a generous, index-linked housing allowance, that has put the officers two rungs higher in the civil service pay scales.

Where Mr Papandreou has chosen to follow the feasible rather than the desirable is in the economy and foreign affairs. The economy is the Government's main challenge. Having inherited a 25 per cent inflation rate and stagnant production, it is making an incongruous effort to stick to its socialist teaching while urging increased private investment.

How can this process be sustained? The answer, he says, is that the economy (36 to 42 per cent) have already drastically eroded profitability and the Greek businessman is still

whether for arms, diplomatic support, or political comfort. Hence its demand to Nato and the Americans to guarantee the inviolability of its borders with Turkey as a condition for remaining in the alliance; and its call to the Americans for a balanced supply of arms to Greece and Turkey as the price for letting their bases stay.

Pasok's anti-EEC battle-cries have a somewhat hollow echo today while the Government is seeking to obtain a more favourable status within the Community — which also affords it a greater sense of political security.

All these departures from orthodox Pasok teaching are being indulged in behind a flurry of verbal sabre-rattling, of flamboyant openings to the Arabs and the Soviet bloc, as well as a systematic flooding of western consciences with the mainly over such secondary issues for Greece as sanctions over Poland and Israel's annexation of the Golan Heights.

Such extravaganzas help mitigate the disillusionment of impatient Pasok supporters who always thought the party was above compromises of expediency.

These accommodations will have to continue as long as Greece is not rich enough to develop its own oil and gas supplies, or to develop a substantial arms industry that would end its dependence on the Americans.

## Mrs Thatcher relives her Sahara fears

Margaret Thatcher was in tears last night recalling her fears for her son Mark while he was lost on the Trans-Sahara car rally. In an extraordinarily frank interview with BBC presenter Peter Murray on his late night show on Radio 2, Mrs Thatcher said: "I was very frightened that Mark and his team might have had an accident and be somewhere where nobody could find them. If he was lost, the Sahara is not the best place to be."

"Your life flashes before you and you really stand on the brink, then, you think the worst and you think, 'if only it's all right, I don't think I'll have any worries personally, if only it's all right'."

Mrs Thatcher said she had to rely on the press and radio for news — including the fact that the first reports that Mark had been found were not true.

She realized then that all the little things people worried about really were not worth it. "As the poet said," she confessed, "one clear morn is soon enough for being born, and so it is."

Private eye-fil

My office is in the Murdoch Building on Gray's Inn Road in the Clerkenwell section of London. On Sundays it has the restful atmosphere of a funeral parlour. I went up to see what Mark was doing. The room was empty of everything but one filing

## THE TIMES DIARY

The 1982 Michelin guide to France will be published this week. It is the 25th year of its publication. The guide is written by a team of French and British writers. It is a best-selling book in France and Britain.

My note last Monday about the rapacious appetites of some patients in British hospitals reminded Gwendoline Nutman of some cuttings from The Times which she has treasured for 50 years.

They are a report from Trieste correspondent and a fourth leader concerning an Italian labourer who swallowed a pencil, five fountain pens, four penknives, 13 ordinary keys, one large door key, a screw, a sardine tin opener, a safety razor holder, two needles, a piece of glass, four 2 lire coins, one 50 centime coin and a key chain.

Our leader writer noted that this feat did not entitle him to claim for Italy the blue ribbon in hardware swallowing, as that had been won for America two years previously by a young woman appropriately named Wolf. After working a week in a Manhattan

## Unwritten story

The novelist and playwright Henry James and his philosopher brother William are on the cover of the current issue of the fortnightly Gay News. They are there to announce a scholarly piece in which the American writer, Richard Hall, argues that the brothers present a strange case of homosexual incest.

It is a theory, Hall has been encouraged to publish by Professor Leon Edel, who has spent half a century studying Henry James, editing his letters and writing and revising his biography. Edel says it is quite clear that Henry James did have a singular attachment to his "ideal elder brother", and accepts the claim of evidence Hall presented to him as "convincing".

Edel finds the word "incest" confusing as applied to males within a family, and considers

# Jail sentences: are politicians the best judges?

Judges, like the police, have increasingly become involved in controversy. They have aroused left-wing wrath over the decision that the Greater London Council's cheap fares policy was wrongly conceived and a rate subsidy for it illegal.

The Norwich housing case has also shown how the courts are being sucked into arbitration on political issues: last month the Court of Appeal endorsed the decision by Mr Michael Heselbine, the Environment Secretary, to take over houses and flats owned by the Labour-controlled city council to speed their sale to tenants. Lord Denning said: "The council showed little concern for the rights of the tenants."

For J. A. G. Griffith, Professor of Public Law at the London School of Economics, the involvement of the courts in political issues reinforces the thesis he put forward in *The Politics of the Judiciary*. In a preface to a new revised edition (Fontana Paperbacks), he writes: "Our judiciary cannot, under any circumstances, be neutral but must act politically."

Professor Griffith writes: "It is demonstrable that on every major social issue which has come before the courts during the last 30 years, the judges have taken a stand on industrial relations, political protest, race relations, government secrecy, police powers, moral behaviour — the judges have supported the conventional, established and settled interests."

And they have reacted strongly against challenges to those interests. This conservatism does not necessarily follow the day-to-day political policies currently associated with the party of that name. But it is a political philosophy nonetheless.

The most serious and persistent clash between the courts and the politicians comes in an area in which first sight there ought to be common ground: the sentencing of convicted offenders. This arises because the Government does not have the money to provide enough places for the criminals sentenced to prison by the courts.

The sudden rise in the prison population since December, coupled with a need to keep prisoners as an emergency in police station cells which were not designed to take them, has brought the issue of judicial independence to a head.

During the committee stage of the Criminal Justice Bill on Thursday, Labour MPs accused the Government of departing from its original policy of automatic parole for shorter sentences. Prisoners because of pressure from the judiciary.

Mr Alexander Lyon, Labour MP for York and a former junior minister at the Home Office, said that Lord Justice Lawton, a senior judge in the Court of Appeal, had "blown the gaff" when he had spoken of a meeting of the appeal court judges with the Lord Chief Justice, and indicated "how they had voted him slowly down".

Mr Lyon went on: "Five or six people in England decided that a proposal which was widely canvassed, supported by a considerable section of the judiciary, and was the policy of the Home Secretary, should not be carried."

The judiciary had intimated, he said, that if there was automatic parole for shorter-term prisoners who had served one-third of their sentences, judges would increase sentences accordingly.

Be that as it may, the MPs agreed, instead, to new powers for judges and magis-

## Quiz answers

1. Nicholas Edwards, Secretary of State for Wales, wore a St David's Day daffodil when apologising to Alec Jones, MP, for suggesting that he might have been drinking.
2. Company directors, in the 12 months to September 1981, according to a Chartered Accountants' survey.
3. In South Africa, boycott appeared as Ranjitsingh and Embury as a KKK man at the cricketers' fancy dress Christmas party in India.
4. Dylan Thomas, whose memorial plaque in Poets' Corner is beside that of George Eliot.
5. The Barbican Centre, which the Queen called another wonder of the world, was opened with a firework display.

## Mystery tour

Discovering that the houses in her home village were individually post-coded, Charlotte Glascock tried sending a letter to her parents addressed only with the county. The letter went to the right county, but was sent to five towns with completely different postcodes before being returned by a bewildered Post Office. The envelope had been franked with the words: "Remember to use the post-code."

## Ethnic education

From Mr. ...

TRIDENT

David Wood

The Budget will a toppling occasion

Ethnic education

From Mr. ...

the government have been sent out by the Education Office to make a choice of ...

September 1982

England High School





P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

## TRIDENT'S FOURTH DIMENSION

The Cabinet will very shortly be asked to approve a recommendation from the Defence Secretary, Mr. John Nott, that Britain should buy the Trident-D5 nuclear ballistic missile to maintain Britain's independent nuclear deterrent into the twenty-first century. This is a profoundly important decision.

The D-5 missile, which President Reagan has decided will be introduced in the early 1990s, is significantly different from the Trident-C4 which Britain had already decided to buy but which will not now be made in the United States after 1984. It has nearly double the range, meaning that submarines carrying it have a bigger area of the world's water in which to hide. It is more accurate, it will have up to 14 warheads by comparison with the eight in the C-4 and three in the Polaris. It requires, therefore, a much bigger tonnage, displacing 16,750 tons compared with the 10,120 tons of the C-4. So naturally the D-5 is more expensive. The current guesses, whose implications are discussed in an article on the facing page, are that over 15 years Britain will have to spend at least £7.9 billion in acquiring the missile, building four submarines, manufacturing the warheads, and supporting the Trident force.

But a decision on D-5 does more than merely inflate the moral, military and economic arguments about Britain's independent nuclear deterrent. It adds a fourth dimension, and this lies in the unique political vulnerability of a choice for D-5 when it is made by a Government in any-term in the absence of any approaching a political consensus on what, if anything, should succeed Britain's Polaris-Chevaline.

Eight postwar Governments have maintained the British deterrent with at least acquiescence from the official Opposition. The Harold Wilson who opposed Sir Alec Douglas-Home on the issue in

the 1964 election campaign was the same Mr. Wilson who pushed through the secret Chevaline warhead programme in the mid 1970s. But today Labour threatens to scrap all nuclear weapons in a gesture of woolly unilateralism, and neither the Social Democrats nor Liberals favour Trident and certainly not Trident D-5. There is more, then, the makings of an expensive muddle here. There is a threat to the continuity of fundamental defence policy and Britain's security into the next century.

The Times supported the Government's original decision to buy Trident C-4 on many grounds. There seems to us no piety in sheltering behind an American bomb, no common prudence in presuming on American protection for the next 40 years in all sorts of unimaginable circumstances, and no wisdom in giving up the deterrent without any trade off from the Soviet Union. The arguments for a submarine-based missile are overwhelming and the cost of C-4, though high, is no greater than that of 200 tanks. The Soviet Union with 50,000 tanks is not going to be deterred by our adding to our 650 with another 200 or so. The cruise missile, which is canvassed as an alternative, is not a strategic weapon and Polaris — Chevaline option is vulnerable to developments in Soviet defensive systems.

The Trident is arguably a bigger deterrent than we need but again it is a very serious prospect to take the risk that at some future date we might be faced with the extinction of these islands when in return we might only be able to threaten a few cities. The prospect is horrible, of course, but that is the strategy of deterrence and it has kept the peace for nearly 40 years.

Most of these arguments support D-5 as well as C-4, but the case has to be made for it and it is crucially in the national interest that it wins wide support. It has to be demonstrated that continuing with C-4 will in the end cost

us not less but more money because we would be supporting a unique system. The argument that we benefit by what is called commonality with the Americans is persuasive. Our Chevaline programme originally estimated at £250 million has ended up costing us a billion or more.

But the evidence for D-5 in terms of economics will have to be more than anecdotal. And the costs have to be clearly spelled out. Our record in building our own submarines is good and the missile systems on time and on cost is good. But we must have a bargain basement price with as few percentage costs as it is possible to negotiate.

If the case for D-5 on cost can be proved — and it will be proved if it does emerge as only 3 per cent of our defence budget or 6 per cent of our equipment budget — then the ground shifts. Choosing C-4 spends money a lot sooner than D-5. By the end of the next election only £75 million will have been spent on D-5. And here is the heart of the political dilemma. A new government would find it hard to escape the C-4 commitment and justify wasting the many millions more that would have been spent on C-4. But a new Government might well be tempted to write off or fudge £75 million on an as yet un-built D-5 system. To go for C-4 new on these grounds is political defeatism and it is economically questionable. This is why the Government must try to enlarge the political base for its militarily sensible choice of D-5. It will never win the unilateralist left but it must win the hard centre. A fait accompli reduces the hopes for that. Mrs Thatcher may in the end have to go it alone politically but she would be well advised to issue a full defence summary on Trident at the earliest opportunity so that there is at least a chance of an emerging consensus on an issue fundamental to the generation to come.

July, before their spring Budget had reached Royal Assent as a Finance Act; and then bringing in another supplementary in the autumn. Second-thought budgets became a penny, not least under Mr. Healey.

Yet at Westminster the spring Budget day has always kept its special place. The late Sir Gerald Nabarro, more a showman than a Commons traditionalist, was (I think) the last backbencher to observe the Victorian custom of appearing in the House for the occasion wearing top hat and morning coat, with a fine flower in the buttonhole. Nevertheless, even in less formal or sloppier days, everybody in the chamber and in the crowded galleries treated Budget day with a special Gladstonian awe, because they felt themselves to be in top hat circumstances. In a sense they still do, beneath the casual clothes. At the least, it is always a government showpiece.

Chancellors of the Exchequer have always had the chance to act up to catch the atmosphere. "Rab" Butler may be taken as an example. William Armstrong, one of the Treasury's Budget team, once told me that he and his colleagues stood appalled to see "Rab" at his desk slicing the air with a magnificent speech into strips into a different order, fracturing the Treasury's sense of logic. The civil servants protested, "What you don't know and I do," Butler said in effect, "is that the House of Commons on Budget day is a logic that is not Treasury logic. Let civil servants stick to their business and be, as politicians, would stick to his. Every Budget has a 'Rab' — that is, political — element in it.

Reggie Maudling, as Chancellor, characteristically broke with a hallowed tradition. On the high floor, it was a time when Budget could live out a year, when Chancellors were bringing in supplementary amending budgets to the House of Commons in

that application for admission to the school will be open to all children. In the event of oversubscription preference will be given to children of Anglican families and to children of other Christian parents. Other criteria for preference will be sibling relationships, special factors (medical and social) and ease of access.

I am certain that, should the school become oversubscribed, the governors would wish the school to continue to reflect to a considerable extent the multi-racial, multi-faith environment in which the school exists and that this would constitute one of the special "social factors" in the criteria for admission.

It has been my experience that parents representative of faiths other than Christianity often deliberately opt for a Church of England school, because they know that in such a school religion and worship will be taken seriously within an atmosphere of mutual respect and tolerance.

It is our policy at Twyford High School to nourish the faith of children from Christian homes, to encourage those with

other religious beliefs and practices and to challenge those with no particular faith to explore the possibility of a spiritual dimension to life. Your readers may be interested to know that in addition to Christian acts of worship, a *divina* festival was held last term. Religious education in the school is concerned with the moral and social issues within society that affect all of us, irrespective of cultural diversity.

I believe the new Church of England school in Ealing will, like the other church schools in which I have served, make a significant contribution towards fulfilling one of its declared aims, which is "to bring about greater understanding between people of different social backgrounds, ethnic origins and religious experience."

Yours faithfully,  
KENNETH REEVES,  
Headmaster,  
Twyford Church of England High School,  
Twyford Crescent,  
Acton W3.  
March 3.

## Budget choices: the case for a 'significant' expansion

From Sir Ian Gilmour, MP for Chesham and Amersham (Conservative)

Sir, In his article "Sir Ian's cynical prescription for surrender" (March 6), my parliamentary colleague Stephen Hastings makes a number of unargued assertions: my proposals for the economy are "clearly designed as expedients... to win general elections"; I believe "all that is necessary is to interpret the wishes of the electors and appear to follow them"; "it is not really economics which guide" me, etc. etc. According to Mr Hastings, I "hide" behind predictions of the Treasury model based on stupid assumptions which I have fed into it — "garbage in, garbage out", he says. Mr Hastings also suggests that I regard much of what has recently happened to the British economy as inevitable.

I do not regard the recent unprecedented rate of decline in the British economy as at all inevitable. The policy I propose stems not from a cynical calculation about electoral prospects but from a genuine belief in the need to change the policies followed up till now and near-despair at the prospects for the country if they are not changed before long.

I made it clear in my article in *The Daily Telegraph* from which this sentence is quoted that the British people's attitude to the economy seemed to me to be right. Like you, Sir, in your two recent leading articles (February 25 and March 6) on the forthcoming Budget, Stephen Hastings did not think unemployment worthy of even a passing mention. The electors, in contrast, seem to believe according to the opinion polls that the present very high level of unemployment is unnecessary and intolerable. In this they are, I believe, wiser than either you or Mr Hastings.

But my view that with three million unemployed there should be a significant but initially moderate fiscal stimulus does not depend in any way on the Treasury model. I have only used that model to show that my proposals would benefit output, jobs and prices, even if the economy were as bad as the Treasury believes it is.

Contrary to Mr Hastings' belief, the extent to which people buy government stock when there is a budget deficit is not something which I fed into the Treasury model but something which that model predicts — based, let us hope, on a careful analysis of past experience.

I do indeed believe that the Government would not have to raise interest rates if a more expansionary fiscal policy caused public borrowing to be higher. The money supply would be higher than otherwise, but that would be the natural concomitant of there being more national income, the very thing I am trying to achieve.

The idea that inflation is determined by changes in the money supply can no longer be seriously defended. The rate of price increases is, I believe, determined by world commodity

prices, by wage costs, and by the Government's own policy particularly on indirect taxation and the prices nationalised industries have to charge. This view is confirmed, not confused, as Mr Hastings would have us believe, by the 1973 experience. Does Stephen Hastings really believe that the 1974-5 inflation had nothing to do with the increase in the price of oil and other commodities, nor with the threshold scheme which by an extraordinary piece of ill luck magnified both the scale and the speed of the response of wages to those events?

The Treasury model gave what I believe to be the correct answer: that fiscal expansion based on cutting taxes on industry combined with lower interest rates would result in less inflation not more, even though the money supply was slightly increased.

Stephen Hastings does not seem to rely on any careful examination of the evidence. He bases his argument not on facts but on random allegations from the Treasury which are in turn supported by an improbable mixture of faith, hope and dubious history. If I may adopt his graphic phraseology, it is not a case with his views of "garbage in, garbage out", but of "garbage in, garbage out".

I am, Sir, your obedient servant,  
IAN GILMOUR,  
House of Commons.  
March 7.

From Lord Carr of Hadley

Sir, One of the most imaginative measures now under discussion to revitalise British industry as it climbs slowly out of recession is the Government's new training initiative. A better trained, motivated and adaptable young workforce can only help to improve industry's ability to compete, which, it is now generally agreed across the political spectrum, is at the heart of our current problems.

Rightly, in my view, the employers' organisations have given their wholehearted support to the initiative. The scheme has been described as a tremendous challenge to employers and one which must have their support if, as we hope, every young person in Britain eventually is to have the opportunity for proper preparation for work.

How are business and industry expected to give the full support which the scheme deserves when their profitability is so low and when there is so little sign of any real improvement? On present Government policies output will grow only slowly from a low level, with GDP up by about 1 per cent in 1982. How much value can be obtained from the better trained people we would all like to see when there isn't enough activity in the economy to employ them? Surely Government policies must be seen to be advanced in harness with a modest and sensible increase in business activity encouraged through the Budget and some of this benefit

channelled into new training. A virtuous circle, as one might say? Yours faithfully,  
ROBERT CARR,  
House of Lords.

From Mr J. H. Hooper

Sir, I have read the recent correspondence in *The Times* concerning the 'wish to cut income tax, and the urgent need to revive manufacturing industry. I believe that there are many who have not yet been made aware of the plight of much of the engineering manufacturing base in this country, the survival of which is critical to the future prosperity of the country.

It is true that we would all like to see income tax reduced and this would obviously have some demand effect upon industry, but this is not the priority. The burden which have weighed most heavily upon manufacturing industry have been the prolonged high interest rates, leading to heavy stockpiling and escalating manufacturing costs, together with the subsequent effect upon the sterling exchange rate.

It does not appear to be generally known that the gross effect of wage inflation and the strengthening of sterling against the Deutschmark, our principal European competitive currency, has been to reduce the gross margin of the average manufacturing firm over the past three years, reducing dramatically the ability of United Kingdom manufacturers to compete in Europe — this at a time when many manufacturing plants are working at around 50 per cent of their capacity.

It is, therefore, inequitable that, added to these burdens, there should be a tax on jobs, known as the National Insurance surcharge, as well as soaring business rates and energy costs which are out of line with our European competitors. The Chancellor's priorities must be to remove the National Insurance surcharge, to reduce interest rates (even with some risk) with its knock-on effect on sterling exchange rates, and to bring energy costs into line with our competitors.

Yours faithfully,  
J. HARRY HOOPER,  
Chairman and Managing Director,  
Armstrong Equipment Limited,  
Gibson Lane, Melton,  
North Ferraby,  
North Humberside.  
February 24.

From Mr John Fingleton

Sir, In the early 1970s the price of oil rocketed. Result: enormous problems for the then Chancellor, and thus the nation's economy. In the early 1980s the price of oil — including by now our own — is tumbling. Result: enormous problems for the Chancellor, and thus, apparently, the nation's economy. What is the lesson to be learned, other than perhaps "plus ça change...?" Yours faithfully,  
JOHN FINGLETON,  
29 Warrford Court,  
29 Throgmorton Street, EC2.  
March 3.

whose responsibility is the promotion of foreign travel to Britain. This agency's evidence — and more particularly cross-examination on such matters might be expected to become a key point in the public inquiry, not least because it is known that their expert views on tourism forecasts differ from those of the BAA.

It is surprising, in the circumstances, that the BTA appear now to be considering making only the briefest of written submissions to the inquiry, without putting up witnesses for cross-examination. If this proved to be the case, understanding of the assumptions underlying the British Airport Authority's tourism projections would also be weakened.

It is of course principally for BTA to decide for themselves how to present their evidence to the inquiry. But in view of the stakes — thousands of acres of English countryside — a number of other parties have more than a passing interest in any decision they may make.

Yours faithfully,  
ROBIN GROVE-WHITE,  
Director,  
Council for the Protection of Rural England,  
4 Hobart Place, SW1.  
March 5.

Smaller, slower, price increases and price stability would be welcome, always provided that prices relate to costs. It is too easy for BGC to overlook the need for serious thought about cost and cost inefficiency, when the Government backs policy of passing costs straight through into prices.

It also follows that NGCC is powerless to defend gas consumers in the important area of prices because these are dictated by Government. If pricing becomes the responsibility of BGC, we can get into the arena with a visible protagonist which would give us the chance to analyse, argue and negotiate fair but realistic pricing.

I wish I could welcome a freeze but it is no good sacrificing long-term stability to short-term popularity. When one catches up on a financial loss after a lean year, it is necessary to recoup more than the money lost by underpricing. The underpricing costs. Yours faithfully,  
SHEILA P. BLACK, Chairman,  
National Gas Consumers' Council,  
130 Jermyn Street, SW1.  
March 4.

## Arab use of oil weapon

From Sir John Wilton

Sir, Dr Kissinger complains, in the extract from his memoirs which you publish today (March 4) that "some of our allies were asking for preferential treatment from the Arabs for having disavowed our Middle East policy."

The immediate cause of the Arab use of the oil embargo in 1973 was the American decision to supply arms to Israel and vote her a \$2 billion credit in the middle of the fighting. America's allies were not consulted about that decision; and they were left to devise what measures they could to protect their economies which at that time were far more vulnerable to the embargo than was the economy of the United States.

There cannot have been many occasions when a country's unilateral action caused more far-reaching damage to its allies than did that of the United States in October 1973. Indeed it was not until the finer moments of allied relations.

Yours sincerely,  
JOHN WILTON,  
Wilmere Lodge,  
Middleton Stoney,  
Oxfordshire.  
March 4.

## Lead in petrol

From Mr Brian Price

Sir, I write in response to criticisms of my energy analysis of lead in petrol, reported in *The Times* (February 27).

Associated Oil Limited state that extra crude oil requirement, at the refineries, of 430,000 tonnes relates to the transition from petrol containing 0.4 grammes of lead per litre to that containing 0.15 g/l. This is true and I used that figure, together with a gross figure of 1.02 million tonnes of extra crude required for the complete transition to lead-free fuel.

The net amount of extra crude required will be considerably less than this. As your correspondent rightly points out, the by-product of more severe refining does not simply disappear but can be used for other industrial purposes. Indeed, some of them can even be used as fuels in vehicles. The net extra crude requirement works out at some 260,000 tonnes — a figure considerably smaller than the savings possible from the use of lead-free fuel.

The purpose of my study was to determine whether or not the energy savings traditionally attributed to leaded petrol were real. However, one wonders whether arguments about gaining or losing a few hundred thousand tonnes of oil are worth engaging in when the mental performance of so many of our children is at stake. Before this study was begun, Friends of the Earth believed that the expenditure of this small amount of oil was worth while, on public health terms. The results of this analysis completely vindicate our position that lead should not be added to petrol.

Yours faithfully,  
BRIAN PRICE, Pollution Consultant,  
Friends of the Earth Limited,  
9 Poland Street, W1.

## Clergy's rewards

From the Reverend P. E. Nixon

Sir, Recent articles and letters in *The Times* may have given your readers the impression that the clergy are suffering from low morale and low pay. There is another opinion.

Jesus said "Blessed are you poor" (Luke 6:20). I believe that this is closer to the original words of our Lord than St. Matthew's "Blessed are the poor in spirit" (Luke 6:21). This, seriously, it means that to give the clergy more pay would not advance the kingdom of God, and may even retard it. With my stipend and family income supplement I receive more money than most of my parishioners, and more than the supplementary benefit rates imply that I need. To have more money so as to be able to be more generous, might sound attractive, but it would generate an unhealthy paternalism and a false sense of security.

I know that this may sound naive or self-righteous, but there are parishioners who have less than I, and who speak of the joys of creation; they consider the lilies, quite without affectation, and find this quite humbling. There is a peace of God which passes understanding; but it is not to be purchased by asking for an increased income.

Yours sincerely,  
PHILIP NIXON,  
Curate of St. Wilfrid's, Halton,  
67 Morrill Drive,  
Leeds.  
March 1.

## Copying the image

From Mr C. W. Hodgkinson

Sir, As to censorship, it is pertinent to compare Michael Winner (in a letter to you, Sir, published February 24) with Oscar Wilde (in "The Decay of Lying" published in *Intentions*, 1891).

Michael Winner: "To believe that if you cut dramatic reconstructions of unpleasant aspects of life from movies life will itself become sweeter and less violent is optimistic in the extreme."

Oscar Wilde: "Life imitates art far more than art imitates life."

Surely Wilde's words apply even more to the arts of film and of TV reporting than to those he knew?

Yours faithfully,  
C. W. HODGKINSON,  
23 Grand Parade,  
Leigh on Sea,  
Essex.  
February 24.

## David Wood

### The Budget: still a topping occasion

Economists and economic commentators seldom tell us nowadays that Budget day should be properly reckoned a festive occasion. It is a place of mummery staged annually merely to entertain a rabble excluded by their inaccessibility from the great mystery of economic management. This year, in fact, we arrive at D-Days minus one without any mention of the argument at all.

Cabinet ministers, backbench specialists in M1 and M3, academic commentators, TUC, CBI and rival party spokesmen, all agree for the moment when the Chancellor opens the last Budget but one before the next general election and either saves his party's bacon or cooks its goose. By general consent, Budget day is once again a national occasion, a magnificent opening night, the Grand National, or the Euro Song Contest. The only question remaining is whether Sir Geoffrey Howe will break a lifetime's habit and, showing himself a genuine Olivier of the Treasury, rise to the occasion.

Once, of course, there was something in the argument that Budget days were non-occasions that perhaps did more to mislead than to guide. Nobody could expound it with more brilliance and pith than Peter Jay, our admired old colleague at Printing House Square and once a treasury high flier. It was a time when no Budget could live out a year, when Chancellors were bringing in supplementary amending budgets to the House of Commons in

## Ethnic education

From Mr Kenneth Reeves

Sir, I refer to the recent correspondence in your columns concerning the sale of an Ealing high school to the Church of England.

Prior to my appointment as head of this newly established Church of England comprehensive high school in Ealing, I served in three other Church of England secondary schools, in which there were pupils of different ethnic cultural and religious backgrounds, and all three schools were at some stage, if not always, oversubscribed. The attraction of applying for the post of first Headteacher of the new Ealing Church of England High School was that it too reflected the environment it served.

The admissions policy, the only one the governors have ever had, was quite clearly stated in the letter sent out by the Ealing Education Office to parents making a choice of high school for September 1982. The Governors of Twyford Church of England High School have agreed

that application for admission to the school will be open to all children. In the event of oversubscription preference will be given to children of Anglican families and to children of other Christian parents. Other criteria for preference will be sibling relationships, special factors (medical and social) and ease of access.

I am certain that, should the school become oversubscribed, the governors would wish the school to continue to reflect to a considerable extent the multi-racial, multi-faith environment in which the school exists and that this would constitute one of the special "social factors" in the criteria for admission.

It has been my experience that parents representative of faiths other than Christianity often deliberately opt for a Church of England school, because they know that in such a school religion and worship will be taken seriously within an atmosphere of mutual respect and tolerance.

It is our policy at Twyford High School to nourish the faith of children from Christian homes, to encourage those with

other religious beliefs and practices and to challenge those with no particular faith to explore the possibility of a spiritual dimension to life. Your readers may be interested to know that in addition to Christian acts of worship, a *divina* festival was held last term. Religious education in the school is concerned with the moral and social issues within society that affect all of us, irrespective of cultural diversity.

I believe the new Church of England school in Ealing will, like the other church schools in which I have served, make a significant contribution towards fulfilling one of its declared aims, which is "to bring about greater understanding between people of different social backgrounds, ethnic origins and religious experience."

Yours faithfully,  
KENNETH REEVES,  
Headmaster,  
Twyford Church of England High School,  
Twyford Crescent,  
Acton W3.  
March 3.

## Animal experiments

From Lord Perry

Sir, The article by Richard North in your issue of February 16 describes a statement that is wholly misleading. In discussion with Mr North I said that a reformed Cruelty to Animals Act could arrange for the scrutiny by a statutory body of experiments already performed. I did not agree to the scrutiny in this way of "potential experiments" but of next statement ascribed to me clearly indicated.

I made it very clear to Mr North that there was no way of telling in advance which experiments would add to the sum of human knowledge, and which could not, so that it would always be impossible to ban experiments in advance on the ground that they were useless. The fact that many (probably not as many as 99 per cent) turned out not to add significantly to the sum of human knowledge was an inevitable price of progress in research.

Yours sincerely,  
WALTER PERRY,  
Chairman of Council,  
Research Defence Society,  
The Open University,  
PO Box 77,  
Sherwood House, Sherwood,  
Bletchley, Milton Keynes.  
February 22.

## No-claim bonus

From Mr R. E. Hutt

Sir, In his letter (March 1), Mr Bishop complains about the loss of his no-claim bonus on his Motor Insurance premium. A suitcase had been stolen from his car, and he has been told that if the insurers pay, his no-claim bonus would be stopped. Quite right.

He goes on to say "I thought that loss of a bonus was to penalise the guilty party in an accident". No, not entirely, it is a no-claim bonus not a no-blame bonus. In any case trying to establish who is to blame in many motor accidents is an impossible problem when reading the reports of each motorist concerned. How they were in the same town at the same time is almost as difficult. Where, however, the circumstances of the accident, honestly admitted, show one driver to be unquestionably in the wrong, providing an undisputed right of recovery against him, the insurers would normally allow the no-claim bonus, and pay his claim in full.

Yours faithfully,  
R. E. HUTT,  
2 Grosvenor House,  
Grosvenor Road,  
Coventry.  
March 2.

## Predicting air traffic

From the Director of the Council for the Protection of Rural England

Sir, The public inquiry at Stansted into the British Airports Authority's (BAA) proposal for a third London airport has now been in progress for almost six months. It is increasingly clear that the Authority's case hangs critically on predictions of massive increases over the coming decades in air traffic for leisure purposes. The BAA has contended that of the 70 million passengers expected to require air terminal facilities in the South East in 1990, at least 48 million will be tourists. Beyond that date, leisure traffic becomes still more significant.

What is more, the Authority are stressing their choice of Stansted as a site designed specifically to cater for tourist charter traffic.

So a great deal turns on whether such projected increases in tourist demand are either inevitable or desirable. If there is doubt about either, the case for a massive Stansted expansion is correspondingly weakened.

No body is better placed to throw light on these matters than another statutory agency, the British Tourist Authority (BTA),

## Price of gas

From the Chairman of the National Gas Consumers' Council

Sir, Government has in the past been tempted to freeze "sensitive" prices for a period before an election; and rumour has it that next year might be no exception, that gas prices might be frozen.

It has always been incomprehensible that a government dedicated to the operation of market forces should dictate prices charged to consumers by the British Gas Corporation, especially in light of the Government view that nationalised industries should behave more like independent private sector companies.

However, the Government claims that the recent series of rises have brought gas prices up to their current economic level. If so, what would a freeze serve (in a time of inevitable rising costs) but to start another cycle of artificially speeded-up price increases in order to catch up on the last year? Such increases would, presumably, begin to hit shortly after the election and to repeat in the years ahead the pains already inflicted on gas consumers since 1980.

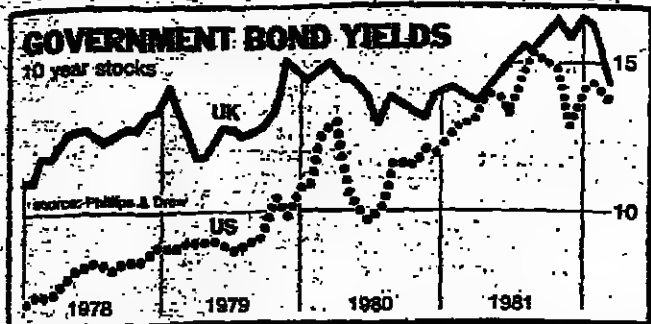






## BUSINESS NEWS

## Yields fall again



Yields on gilts fell sharply last week in five successive trading sessions as market hopes of further base rate cuts rose. Dealers believe that easier money supply and inflation figures justify another round of interest rate reduction either today or just after tomorrow's Budget. If these expectations are not met bond prices could slip later this week.

## BP in offshore sale

British Petroleum is believed to be keen to sell its 15 per cent stake in the Beatrice field in the North Sea. It bought the holding from P & O in June 1979 for £28m. BP's desire to sell out is apparently based on a desire to limit its involvement on fields where it is not the technical operator.

## CSI chief fights back

Mr Patrick Neill, chairman of the Council for the Securities Industry, has opened a fight with a private document to the 14-man council to save the powers of the City's ultimate self-regulatory authority, which he heads, from being replaced by law and administered by the Department of Trade. The threat to the CSI was foreshadowed in a consultative document in January which had been commissioned by Mr John Biffen, the Trade Secretary.

## Nimslo cameras

Eight hundred Nimslo 3-D cameras-a day are coming off the production line at the Dundee factory, ready for the sales launch in the United States later this month.

The Nimslo Corporation is to start selling the controversial camera at a price close to £200 (£209). In Florida, where the camera will become available elsewhere in the United States, the European launch is expected early in 1983.

## Business guide

A new guide to help people find the money they need to set up or expand a business is published today by the Confederation of British Industry. The guide is called *Finding Money for Your Business*.

## Panel urged to censure a Court

By Philip Robinson

Mr Gerald Ronson's Heron Corporation is to press hard for the Takeover Panel to censure publicly Australian Mr Robert Holmes a Court for alleged breaches of the Takeover Code. The two are rivals in a bitter battle for control of Associated Communications Corporation, formerly headed by Lord Grade, and Mr Ronson's move follows Mr Holmes a Court's revelation of almost one million ACC non-voting shares, and increasing his bid to 95p a share, topping Mr Ronson's offer by 5p.

Under the Takeover Code all purchases of all classes of shares must be declared by noon of the day following the buying. Censure by the Takeover Panel is usually only done in extreme cases.

Mr Holmes a Court was not available for comment yesterday, but it is understood his TVW Enterprises—a 44 per cent owned subsidiary of the Bell Group through which he is making his bid for ACC—had been buying and selling ACC non-voting shares since last Wednesday.

On Friday, Heron's advisers, Barclays Merchant Bank, asked the Takeover Panel to investigate a mystery buyer who had chased the ACC share price up to 97p at one point in the Stock Market. Their request came as a result of unsatisfactory answers from stockbroker J. G. Combs which was executing most of the buying orders.

On Saturday, as a result of the Takeover Panel request, Mr Alan Newman, Mr Holmes a Court's main executive dealing with the ACC bid, admitted that TVW Enterprises had added 925,000 ACC non-voting shares to the 51 per cent already held. By midday Mr Holmes a Court had called Standard Chartered Mer-

chant Bank, which is advising ACC directors, and told them he was increasing his offer.

This is a revision of Mr Holmes a Court's first offer almost two months ago. At that time Bell Group offered 66p for the non-voting shares and 320p for the voters. Now it is offering 95p for 25.6 million non-voting and 80p for 146,700 voters he does not already own. The new bid values ACC at £51.3m, almost £15.3m above his first offer and £2.27m above the Heron offer.

Heron was meeting the Takeover Panel late last night. Mr Michael Peterson, heading Barclays, advised to Heron, said: "I will be expressing our disquiet at the share buying, and pushing very hard for the Panel to censure Mr Holmes a Court. There is no excuse for not knowing that they had to declare. I would imagine Mr Holmes a Court could recite the Takeover Code."

He said Heron was going ahead with its offer document, detailing a bid which values the non-voting shares at 50p and the voting shares at 360p. It should be out on Wednesday.

Mr Peterson added: "There is no intention of revising our price at the moment. We are not going to be panicked into anything."

Meanwhile ACC's special four-director committee, headed by Lord Matthews and set up last week to look at all takeover bids and report to the full board, is due to meet today.

Suggestions that Mr Holmes a Court might be asked to step aside as ACC's chairman are likely to be reviewed when he returns to Britain from Melbourne at the end of the week. It is understood the board has taken the view that there is no potential conflict of interests.

Over-capacity in the industry is at the root of the discount war, particularly as more modern higher capacity bakeries are opened and more supermarkets and large supermarkets join the growth sector of in-store "hot bread" bakeries.

If a plant bakery is operating at less than 20 per cent capacity it runs at a loss. The big suppliers to multiple grocers such as Tesco and J. Sainsbury are thus under pressure to give large discounts in order to maintain volume production.

ABF started the new spiral of discounts last autumn. This happened after Associated family bakeries made increasing inroads into the supermarket chains by selling selectively in some regional areas. Others, to stay in the race, matched the level of discounting. The National Association of Master Bakeries, said last night that prices in the supermarket of well under 30p a family-sized white loaf were making it more difficult to sell what they regard as craftsman-made loaves at around 40p.

After the crash of the Sillers baking interests in 1978, maximum discounts to the multiple buyers had been running at most at 25 per cent before the discount war started. Now discounts are thought to be nearer 30 per cent.

But there are likely to be difficulties in assessing whether a selling well below cost. This is because some more modern and efficient plants than others and thus are able to afford larger discounts to retailers.

ABF, for instance has States could sell Japan up to \$15,000m worth of goods immediately if Japan removed certain non-tariff trade barriers.

The list includes the United States agricultural products, consumer products such as cigarettes, and basic products such as soda ash used in glass making which the American companies say they can deliver at dockside for \$100 less a tonne than the prevailing price in Japan.

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Meanwhile, Mr Shintaro Abe, Japan's Trade Minister, has appealed to Belgian Foreign Minister Mr Leo Tindemans, for help in resist-

## Opec 'will hold present oil price'

By Jonathan Davis, Energy Correspondent

Leading oil ministers in the Organization of Petroleum Exporting Countries said yesterday that they expected to be able to hold oil prices at their existing levels, because of a concerted move to cut production.

This follows the announcement over the weekend that Opec will hold an emergency meeting in Vienna on March 19, and confirmation by Saudi Arabia that it plans to reduce its official production ceiling from 8.5 million barrels a day to 7.5 million barrels a day.

Ministers from the leading Arab members of Opec, meeting in Qatar for the second Arab energy conference, said that the emergency Opec meeting would confirm an informal deal struck at the weekend. This would involve cutting Opec's output to around 20 million barrels a day to 18.5 million barrels a

day, and maintaining the present official pricing structure, based on a \$34 a barrel benchmark.

Shaikh Ali Khalifa Al-Sabah, Kuwait's oil minister, said yesterday: "We are confident we will succeed in maintaining the present (price) level", adding "the present crisis is a transient one".

Iraq's Oil Minister, Mr Tayeb Abdul-Karim expects the downward pressure on oil prices to ease within two or three months. He ruled out any price cuts by Opec members, and warned that they could cut output again if the present oil glut continued.

Western sources are, however, sceptical whether a cut in production to 18.5 million barrels a day will be sufficient to prevent further reductions in oil prices

during the weak demand period of the summer. Many observers feel that Saudi Arabia, the leading Opec producer, would not be unhappy to see the Opec benchmark price reduced from \$34 a barrel to between \$30 and \$28 a barrel.

Saudi Arabia's position is not yet clear. Shaikh Yamani, the kingdom's oil minister, said at the weekend that an emergency Opec meeting was not necessary. However, later, after the Opec secretariat announced the March 19 date for such a meeting, he changed his tack and said: "It is now possible to convene a very successful meeting".

Shaikh Yamani confirmed that his country's production ceiling would be lowered by one million barrels a day this month, and repeated his belief that the \$34 a barrel

price would be held until the end of the year.

The fall in oil prices over the last few weeks, highlighted by Britain's decision to cut North Sea prices by \$4 a barrel to \$31 a barrel last week and other price cuts by Iran, Mexico and Egypt, has been prompted by a surplus of supply estimated to be running at two to three million barrels a day.

If Opec does reduce its output to 18.5 million barrels a day, it will be the least it has produced since the 1960s, and compares with a production peak in 1977 of 31 million barrels a day. Oil sources said last night that it would be unwise to take Opec's plans at their face value until an agreement is usually reached at Vienna. Several oil companies are openly predicting that prices might eventually fall to \$25 a barrel.

The settlement is likely to be adopted with minor variations for 3.7 million metal and engineering workers throughout West Germany and could set a pattern for collective agreements in other industries. The union and employers' negotiators agreed that it should be recommended as a model to metal industry wage negotiators in other regions of Germany and those in West Berlin and Bavaria have already signalled their acceptance.

The rapid conclusion of this year's engineering wage round with a settlement appreciably below the inflation rate is likely to be welcomed by the West German government and the federal bank.

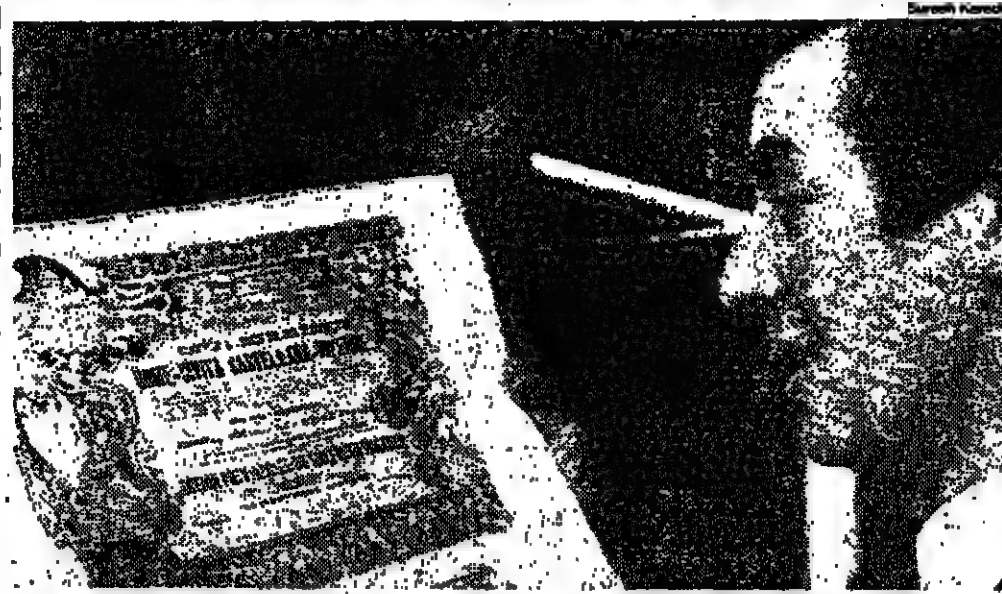
The government, while drawing up its programme to boost employment earlier this year, stressed that moderate wage increases would be needed to help the economy over the past 12 months to 1.9 million. The settlement, coming on top of a slowdown in the rate of inflation and signs of a steadier Deutsche mark of foreign exchange markets, could encourage the bank to reduce its interest rates.

After the settlement was announced both the employers and the IG Metall union found fault with it, indicating that an acceptable compromise had been reached.

Herr Wolfram Thiele, the metal industry's employers' leader, complained that a lower figure would have helped to reduce unemployment. But the outcome was better than a strike, which probably would have been the next stage in the conflict if arbitration had failed.

Herr Klaus Lang of IG Metall also said the outcome was unlikely "to make anybody jump out of their chair". But he described the increase as acceptable and said the government did everything that it could to push through a change in employment policy and that industry fulfilled its pledges to hold down prices and improve conditions on the labour market.

Belgian steel prices, Page 13



## Buying a share in scripophily

Scripophily, the study and collection of bonds and share certificates, brought the curious as well as numerous dealers, some from abroad, to the City of London yesterday for the second annual international scripophily conference. Mr Jonathan

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

## I. G. Metall accepts 'model' rise

By Peter Norman, Brussels

A breakthrough has been achieved in this year's round of collective wage bargaining in West Germany with the I. G. Metall trade union's acceptance of an increase of only 4.2 per cent for one million metal processing and engineering workers in North Rhine-Westphalia.

The increase, which was agreed on Saturday after both sides had gone to arbitration, is well below the 5.8 per cent rate of inflation in Germany but takes into account expectations of a further drop in the rate of price increases.

The settlement is likely to be adopted with minor variations for 3.7 million metal and engineering workers throughout West Germany and could set a pattern for collective agreements in other industries. The union and employers' negotiators agreed that it should be recommended as a model to metal industry wage negotiators in other regions of Germany and those in West Berlin and Bavaria have already signalled their acceptance.

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## THE WEEK AHEAD

## Sweet taste of success

## LONDON EXCHANGE

FT Index 560.7  
FT 100 68.36  
FT All Share 323.03  
Bargains 24,604  
(Friday's close)

Proof that demand for biscuits and confectionery is virtually recession-proof will emerge on Thursday when two of the United Kingdom's largest food groups—United Biscuits and Cadbury Schweppes—are both expected to report a healthy increase in profits. Shares will also be announcing its final figures.

United Biscuits is expected to raise taxable profits from last year's £47.5m to around £50m, helped by currency gains and the low price of cocoa, and watched by a 20 per cent increase in dividends for the year to a total of 7.50p.

This will come from better margins in the United Kingdom biscuits and snacks through volume increases and better productivity, and a considerable advance in the United States boosted by currency gains on translation into sterling.

But the present year is likely to see a slowdown as the low raw material prices and the weaker pound may have a less marked impact, and analysts are looking for profits in the region of £67m.

Two areas the group has identified for long-term expansion are frozen foods, currently a loss maker, and restaurants.

Frozen foods account for about 10 per cent of United Kingdom sales, and after reorganization

could be approaching break-even after a £2.9m loss last year. The Pizzaland restaurant chain has performed well and is being expanded and the company image is being slowly revamped.

After an advance at the half year from £27m to £27.5m, Cadbury Schweppes is expected to produce profits of £75m to £77m for the year to December, bolstered by year-end currency translation gains.

There should be a matching rise in dividends, with analysts expecting a rise from 8.5p to 6.8p per share for the full year.

The group, achieved good progress in a number of overseas markets, while in the United Kingdom there was a modest advance of £1.5m to £16.7m. A heavy increase in marketing expenditure helped Dairy Milk win back market share from Rowntree's Yorkie bar, but the prospect of an enlarged group if Rowntree's bid for Huntley & Palmer is successful will offer increased competition to both Cadbury Schweppes and UB.

With the reduction in North Sea oil prices quickly followed by Department of Energy forecasts that production would rise this year, Mr John Baiseman, chairman and chief executive of Shell UK, said last week that Britain's offshore development was at a crossroads.

His warning comes ahead of not only Tomorrow's Budget but also of full-year figures from Shell, due on Thursday, which are expected to show a fall from last year's £2,225m pretax, with estimates ranging from £1,400m to £1,600m.

Garrett David

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ABF, for instance has States could sell Japan up to \$15,000m worth of goods immediately if Japan removed certain non-tariff trade barriers.

The list includes the United States agricultural products, consumer products such as cigarettes, and basic products such as soda ash used in glass making which the American companies say they can deliver at dockside for \$100 less a tonne than the prevailing price in Japan.

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Even if there is movement and the Japanese approve the new package of measures designed to improve access to their markets, Congress is still almost certain to pass

## OFT studies bread price discounts

By Derek Harris, Commercial Editor

Bread pricing is being investigated by the Office of Fair Trading, which is considering action under the new Competition Act. The question is whether any bread manufacturers have adopted a strategy of predatory pricing.

The Monopolies and Mergers Commission, in its 1981 report on discounts to retailers, pointed to the dangers of predatory pricing. This is when one or more dominant manufacturers use their resources to sell at a price below short-term marginal cost in order to drive smaller makers out of business.

This brings short-term benefits to consumers in sharply lower prices but a later danger from a possible monopoly. The OFT said last night it was in contact with various parts of the industry after complaints and expressions of concern from both management and trade unions in the bread industry about the level of discounts.

There have been complaints from some independent retailers that plant bakers as well as from trade unions.

OFT investigators are looking closely at the role in the discount war being played by the two giants of the industry: market leader Associated British Foods (ABF), with a market share of about 32 per cent, and Ranks Hovis McDougall (RHM) with about 28 per cent.

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Meanwhile, Mr Shintaro Abe, Japan's Trade Minister, has appealed to Belgian Foreign Minister Mr Leo Tindemans, for help in resist-

ing protectionist legislation in the United States. Both Mr Abe and Mr Esaki said Japan would move to liberalise trade and agricultural products and possibly manufactured goods but these measures are not likely to be announced before the March 20 visit to Washington of Mr Yoshio Sakuruchi, the Foreign Minister.

Mr Sakuruchi is expected to ask President Reagan to agree to a bilateral trade conference before the Paris economic summit this summer so that trade differences between Japan and the West do not dominate the conference.

It is not clear whether these measures will be broad enough or come soon enough to defuse the anti-Japanese sentiment in the United States.

Mr Olmer says he is convinced there is a political commitment "at the top" to effect changes in Japan by opening markets

## Docks face more job cuts

By Paul Routledge, Labour Editor

Expanding face banding difficulties and the Government may be involved in a new public expenditure burden because of troubles in the docks caused by falling trade and reorganization of the industry.

Port employers in London and Liverpool want to shed about 3,000 registered dock workers and there is growing pressure from an unofficial dockers' group to strike against proposals to reorganize the National Dock Labour Board.

The Port of London Authority says it would like to make redundant 1,100 dock and warehouse workers because of recession. The Mersey Docks and Harbour Company is talking of around 1,300 job cuts involving the possible shutdown of Victoria Dock, Birkenhead.

The dockers are protesting at proposals to reshape the Dock Labour Board.

Shampoo was third, 2001: A Space Odyssey fourth and A Star is Born fifth. Then came *Gone With The Wind* (parts

## Home video viewers go for feature films

By Torin Douglas

The video cassette recorder is bringing a new meaning to the concept of home movies and almost half of all television programmes taped are feature films, according to a report from Audits of Great Britain, which produces the British Audience Research Bureau's weekly television ratings for BBC and ITV.

AGB has produced a chart of the 10 most-recorded programmes in the last three months of last year. Nine of the 10 were feature films.

Close Encounters of the Third Kind was top of the list, closely followed by *The Wild Geese*. Both films were recorded by almost a third of the 300 households that took part in the survey.

*Shampoo* was third, 2001: A Space Odyssey fourth and A Star is Born fifth. Then came *Gone With The Wind* (parts

one and two), *Sweeney 2*, *It'll Be Alright on the Night*, a compilation of bloomer films and television comedies by Denis Norden, and the only non-feature film in the top 10 and *The Aliens* Are Coming.

According to AGB, feature films accounted for 45 per cent of the recording on VCR's, far ahead of the next highest category, light entertainment at 10 per cent. Drama serials accounted for 9 per cent of recordings, action series 8 per cent and documentaries and current affairs 5 per cent.

The average VCR owner much prefers taping programmes of the air to buying or renting recorded tapes. Some 86 per cent of all material viewed was recorded off the air, with 46 per cent accounted for by BBC programmes and 40 per cent by ITV, the report says.

Substantial changes to the Stock Exchange's original proposals to increase the charge for share dealing are expected to be suggested when chairman Sir Nicholas Goddison meets the association whose members make the most use of the stock market on Wednesday.

Already the Unit Trust Association has attacked the move to raise stockbroker charges on small bargains which are usually made on behalf of small investors. The British Insurance Association and the Investment

charges from some stockbroking firms who believe it is correct to put up substantially the charges for small investors.

They argue that they need to charge more if they are to give a decent service as costs have been rising and the number of bargains have been falling.

Under the proposed new commission rate, a bargain in equities up to £7000 would be charged a minimum of 1.75 per cent of its value, representing a 16.7 per cent increase.

Belgian steel prices, Page 13

## Trade imbalance talks at critical stage

## Congress poised to move against Japan

From Bailey Morris, Washington, Mar 7

The United States and Japan have entered "a critical period" in their trade negotiations, which must produce a dramatic response from Tokyo over the next six months of the result could be harsh anti-Japanese legislation.

Senior Administration officials fear they will be unable to check the strong protectionist sentiment in Congress without a positive sign from the Japanese for correcting the trade imbalance which is likely to produce a deficit of \$20,000m for the United States this year.

A US delegation, headed by Mr David MacDonald, deputy trade representative, to visit Japan this year and is expected to deliver what can only be construed as an ultimatum on trade.

Mr MacDonald carries with him a list of specifics approved by President Reagan's close advisers who agree with the document's main points that the United

States could sell Japan up to \$15,000m worth of goods immediately if Japan removed certain non-tariff trade barriers.

The list includes the United States agricultural products, consumer products such as cigarettes, and basic products such as soda ash used in glass making which the American companies say they can deliver at dockside for \$100 less a tonne than the prevailing price in Japan.

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## P.H. INDUSTRIALS P.L.C.

(Formerly Dharma Holdings P.L.C.)

Incorporated in Scotland under the Companies Act 1948

## SHARE CAPITAL

Authorised		Issued and now to be issued fully paid
£		£
21,750	In 5 per cent cumulative preference shares of £1 each	21,750
528,250	In ordinary shares of 25p each	488,072
<hr/> 550,000		<hr/> 509,822



SINGAPORE

# Cautious optimism on money centre role

Singapore's financial community was sorely disappointed by last Friday's annual budget, which failed to deliver concessions they had requested of Dr Tony Tan, Minister for Trade and Industry. In the months before the budget announcement, Dr Tan had private contacts with banks and trade associations, discussing what moves they saw as necessary for Singapore to meet its goal of becoming the "financial supermarket" of South East Asia.

The fact that Dr Tan is the first minister of trade and industry to have come from the banking sector engendered further confidence that he could come up with a dramatic drop in corporate tax, clearer guidelines on taxation of trading profits and capital gains, a review of the banking act, and confirmation of fund management fees. On all these, they were disappointed.

Instead, the financial sector received modest concessions like the scrapping of the stamp duty on Asian currency loan agreements signed before April 1, 1980, when these were reported in Singapore, and the abolishing of estate duty on gold deposits.

Singapore's success as the centre of the Asian dollar market, expected to top the United States \$1,000m (\$540.5m) level by June, has been the core of its ambitions as the leading regional financial centre. However, fund management has been hampered by unclear tax guidelines on asset management. At the moment, profits from bonds, notes and floating rate certificates of deposit can be subject to 40 per cent corporate tax, as compared to Hongkong's 16.5 per cent. In leaving this situation unchanged, the Singapore Government is still cautious on how it chooses to encourage growth.

This caution is all the more ironic when Singapore is the financial centre trying to digest the bulk of Asian monetary growth. In Singapore the financial and business sector showed an 18 per cent growth rate over the previous year, thereby retaining its position as the leading sector of the economy.

Dinah Lee

LICENSED TRADE

# Chancellor may bite into fruit machine profits

It was a surprise when the Chancellor in his 1981 Budget failed to siphon off some of the big profits made from one-armed bandits. These account for much of the price discount on club beer and probably rather more than half the profit in the average pub.

Tomorrow it seems likely that the Chancellor will at least increase the machine licence fees, or possibly bring in an *ad valorem* tax on takings, already subject to value added tax.

Licence fees, higher in clubs where jackpot payouts are much greater, would offer the Chancellor the simplest route to adjustment. But an *ad valorem* tax, although more complicated to collect, would cut into profits from the machines — known officially as amusement with prizes, or AWP machines — by around 18 per cent.

That would be a big blow for the industry. Pub tenants usually share profits with the brewer and the pub. In managed houses all the profit goes to the brewer and in the clubs the AWP profits go a long way to supporting lower bar prices.

The National Union of Licensed Victuallers has been campaigning strongly for pubs to be able to increase jackpot prizes to match this competition from the clubs.



Fruit machines: rise in licence fee likely

The payout on pub machines has been doubled to £2 but the union has urged that this should rise to £10.

In the clubs some machines pay out jackpots of £100. There are well over 100,000 AWP machines in Britain and profits from those in pubs alone are probably more than £180m. Estimates of profits from club machines vary from £700m to almost double that figure.

A pub with two AWP machines — effectively the maximum because licence fees scale up sharply for additional machines — would have an average income from them of about £5,800 a year, according to an analysis by Phillips & Drew, the brokers.

The increasing reliance of the pub and club trade on AWP machines eased when video games machines came into fashion. But this has waned, making AWP takings again a key factor.

Derek Harris

TAX ON OVERSEAS OPERATIONS

# Fears grow over revenue plans

A significant issue in tomorrow's Budget will be whether the Chancellor, Sir Geoffrey Howe, bows to the concentrated pressure from Britain's multinational companies to defer for a year new rules for taxing their overseas operations.

The Inland Revenue has shown it is determined to introduce the new rules as a way of getting back some of the powers exercised by the Treasury when exchange controls were in force. Since controls were abolished in 1979 by the present Government, the Revenue has argued that use of tax havens by British companies and individuals has boomed.

As a result, it produced its draft clauses — bound in

yellow covers and immediately labelled "the yellow peril" by tax accountants — which propose a tax on all British companies with overseas subsidiaries in low-tax regimes. It also wants a new definition of company residence to strike at businesses which operate in the United Kingdom, but enjoy favourable tax benefits because they are controlled from overseas. Finally, and in the view of many multinationals most alarming, the Revenue wants to tax loans made by overseas subsidiaries to their United Kingdom-based parents. The Revenue argues that the loans are an avoidance device aimed at ducking the tax which would be paid if funds were remitted to Britain as dividends.

As commercial loans, United Kingdom companies must pay interest to the lenders. And to the apparent disgust of the Revenue, they then claim tax relief on the loan interest payments.

Businesses argue that they arrange their affairs in this way because their overseas subsidiaries face high local taxes and punitive withholding taxes on dividends paid overseas. They also claim the draft clauses represent a serious threat to multinational business carried on from the United Kingdom.

All the leading pressure groups have been begging the Chancellor to defer introduction of the plans for a year of further consultation.

Drew Johnston

BROKERS' VIEWS

# Budget expected to boost market

Brokers are viewing tomorrow's Budget optimistically for the stock market. A stimulus will be given to the economy, it is thought, although opinions vary on the amount of money the Chancellor will give away. Gilts are expected to continue to trade well by most brokers. Forecasts on the equity market, which has been remarkably firm recently, are more cautious.

James Capel sees the Chancellor giving away "a modest £500m to £750m." The case for a cut in the National Insurance surcharge has been weakened by the fall in oil prices. "As a consequence we still believe that the best use for the money would be the indexation of customs and excise duties other than petrol," they say. They see a growth in the economy of 2.5 per cent in 1982, and inflation down to 8 per cent.

Laing & Cruckshank are going for a £1,000m giveaway by the Chancellor. They expect the gilt market rally to continue into the summer. The authorities have nudged down interest rates, and further cuts in base rates to 12½ per cent can be expected by mid-year. But, in the second half, rising United States interest rates and buoyant corporate loan demand will put upward pressure on base rates, they say.

Pannure Gordon are positive of the gilt market after the Budget. Tax widening of business activity, oil prices, and loan demand in Western economies is gathering force, and the inevitability of a significant fall in bond yields has become clear, they say. Fundamental British economic influences on gilts remain — almost without exception favourable. As the payment of overdue and seasonal tax is achieved, liquidity surpluses are likely to emerge.

Sheppard & Chase have a number of reviews out this week. On Barclays Bank they see "considerable scope of profits growth this year." The shares are on an attractive yield, which the brokers say is worth 7½ per cent for the year to end December. Commercial Union is their preferred stock among the composite insurance companies, with the yields for 1982 and 1983 forecast at 12.3 and 13.6 per cent respectively.

Grievson, Grant's latest commentary on the unlisted securities market picks out Johnstone's Paints as having good long-term growth potential. For 1981 the brokers see pretax profits of £1.55m, growing to £1.8m in 1982, giving earnings per share of 7.1d and 8.2d and yields of 3.1 and 6.1 per cent.

Phillips & Drew recommend buys for BPB and for Imperial Group. Carr Sebag like Ultramar, a well-run oil company with a good ratio of 4.6 for 1982 and 3.7 for 1983; the yields for the same years are forecast at 5.4 and 6.2 per cent. Carr Sebag also like Diploma, at a fully taxed p/e of 24.3 for 1982 and 19.7 for 1983, with yields of 2.6 and 2.9 per cent respectively.

Rowe & Pitman recommend a buy on Royal Insurance (as do a number of other brokers). They estimate a p/e ratio of 9 for 1982 and a gross yield of 10.6 per cent. Capel-Cure Myers also favour Royal Insurance, taking their forecast for 1983 when they see pre-tax profits at £168.4m, giving a p/e of 7 and a yield of 11.3 per cent.

Sally White

MARKETS ROUND-UP

# Wall Street bleak but busy



blue chips, Hongkong Land and Cheung Dong, have now dropped 28 per cent and 32 per cent respectively in the last two months.

But sentiment remains overwhelmingly bearish, despite Friday's rally of 18 points, which brokers described as unconvincing in view of short covering and continued selling into strength.

Concern about the recession took the Dow Jones industrial average down another 17.03 pts last week to close at 807.36. Wall Street is in the grip of the worst bear market since the 1973-74 recession and few analysts see much hope of relaxation before the end of April.

The Dow is expected to fall to 725 or 750 before it begins to rise again as investors act on nervousness about the recovery supposed to begin in the second half of the year. Last week saw the heaviest volume of trading since the week ending January 9, 1981, when Mr Joe Granville, an influential investment counsellor advised his clients to sell everything.

Volume totalled 328.82 million shares last week compared to the record of 324.52 million in 1981. The past few weeks have seen the spot market defy traditional indicators. Recently bond prices have rallied and interest rates have declined, a combination that usually prompts the market to rise.

Last week the money supply fell by \$3,000m, easing fears that the Federal Reserve would tighten credit.

The bears were out in force as the market took a battering. The Hang Seng Index closed at 1158.92, shedding 113 points for the week. After weeks of poor volume, reflecting the lack of interest, average daily turnover was up at HK\$180m (£16.5m), fuelled by the selling spree.

The week's most significant point came when the market broke through the supposed 1220 support level without any noticeable resistance. Institutions began selling again and brokers now see the next support area at 1100.

The recent slide in share prices has hit property stocks in particular. The two major

EZ Industries had 50c cut from its previous closing price, bringing the stock down to A\$3.30.

The fall was a harsh reaction to the EZ one-for-five rights issue, aiming to raise A\$42.5m (24.3m) from shareholders. Elders IXL opened 14c higher, but quickly fell to A\$4.25, a loss of 1c. This followed Elders' report of a better-than-expected profit and a one-for-two bonus issue.

The first case was over-reaction to bad news — the second was lack of reaction to good news. One broker summed it up this way: "Confidence is shattered." Indeed, there wasn't much to be confident about on the resources scene.

The oil bubble finally burst, with Britain lowering the price of its North Sea crude by \$4 to \$31 a barrel in response to the world oil glut. This will put increased pressure on Opec and particularly Saudi Arabia to reduce prices and/or output.

As far as the market is concerned this will hold back the steady growth in the Australian import parity price for oil and consequently the profit prospects of Australian oil and gas companies. The oil and gas index plunged through the 400 mark, closing the week at 384.0, a drop of 64.5 points or 16.5 per cent from the previous week. Some prominent oil and gas shares suffered in the shakeout.

With the Commerbank index having briefly touched a new high for the year last week, analysts are wondering whether German stock exchanges are finally poised to break out of the doldrums that have characterized share markets over the past six months.

Heavy foreign buying of shares gave the markets a substantial and unexpected boost last Tuesday and subsequent profit taking has done nothing to upset operators who believe that the fundamentals are at present positive.

Foreign bargain-hunting is cited as evidence that German shares are cheap at present levels. Hopes are growing that the current success of German industry on export markets will at some stage be reflected at home and create the conditions for a drop in domestic interest rates.

Investors have also been encouraged by positive company news, particularly from Praxair, which has promised a higher dividend for 1981 on the strength of 20 per cent higher profits.

Two incidents last Wednesday clearly showed the current mood of the Melbourne Stock Exchange. In the first

COMMODITIES

# Sugar prices still going down

Wander into the trading room of your friendly local sugar broker these days and you will be greeted by the unusual sight of complete inactivity. Normally frenetic dealers have their well-shod feet planted on desks and the feeling of repose is pervasive. It is, any broker will tell you, a very boring market.

Not only is trading slow, but prices are low. The London daily raws price at the end of last week was £155 a tonne, about £100 less than a year ago. Sugar for May delivery is fetching about £160 a tonne, roughly £120 less than during the same period of 1981. Indeed, during October 1980 prices touched £400 a tonne, and there was talk of them rising further.

But instead the trend has been down, accompanied of

course by the usual fluctuations. Sugar prices are now back to levels prevailing a full two years ago. And part of the reason for the lack of action is worry that we have not seen the bottom of the sugar market.

The worry is superficially surprising because both the European Economic Community and the International Sugar Agreement, the two bodies which in uncertain tandem play a major role in the market's fortunes, have attempted to control the excess supply which afflicts the free market.

For its part, the ISA has cut the quantity of sugar members are allowed to export to 85 per cent of Basic Export Tonnage. BETs are the amounts individual countries may export, and a 15 per cent reduction is the maximum under the agree-

ment. In 1980 members' BETs totalled 15.4m tonnes.

Under its agreement, dating from 1978, the ISA is supposed to keep prices within the range of 13 to 23 cents a pound. Unfortunately sugar is currently hovering around 12 cents. So the intervention of the EEC will also be important. The community proposes to stockpile sugar with the twin aims of not depressing world prices while discouraging farmers from planting more.

The official stockpile target is 1.7m tonnes out of estimated 1981 EEC production of 15.6m tonnes and exports approaching 6m tonnes. ISA and EEC restrictions should go some way to balancing a market which in the 1981-82 season is thought to produce a world surplus of 4.9m tonnes over consumption of 90.4m tonnes.

Michael Prest

CAPITAL MARKETS

# Prime rate cut likely, after drop in M1

From Maxwell Newton, New York, March 7

An early reduction in the New York prime rate seems inevitable after the big fall in money supply (M1) announced on Friday. Money stock in the week to February 24 fell by \$3,000m to bring the total back below the level of the week ending January 6 and thus wiping out most of the bulge in money growth which has undermined confidence in the financial markets.

The drop in money stock since the peak in the week ended January 13 has been particularly welcome for President Reagan as every reduction in interest rates diminishes the pressure on him to reduce defence spending or to restore previously announced cuts in rates of taxation.

Recent movements in interest rates have been powerfully influenced by the movements in the money stock.

The peak in the Treasury bill rate was reached shortly after the peak in the money supply. This is because there is a lag of one week in the announcement of the money supply figure and because there is a short "assessment time" during which the market has a chance to formulate a view about the significance of change in the money stock.

Bearing those short lags in mind, it is clear that the market is dominated in the short term by the perception

of the significance of the change in the money stock. Two other factors are at work which will depress interest rates in the coming weeks.

First, there has been a quite extraordinary drop in the rate of inflation in America.

In 1979, producer (wholesale) prices in America rose by 12.8 per cent; in 1980 by 11.8 per cent; and in 1981 by 7 per cent. The sharp decline began in May 1981 when the producer price index rose only 0.4 per cent. Since then there has been only one

month — October 1981 — when producers' prices have risen by more than 0.5 per cent. In January, producer prices rose by 0.4 per cent.

The Washington Analysis Corporation (a subsidiary of Bache) estimates that in February the producer price index will rise only 0.1 to 0.3 per cent and in March it should rise only 0.0 to 0.2 per cent.

The collapse of oil and gold prices and the pervasive weakness of all commodity price futures will have a strong effect in leading to change in inflationary esti-

mates. In the wages sector, recent growth of hourly money wages has dropped below 6 per cent a year. The second factor which will bring about a collapse of interest rates is the decline in the demand for credit by American corporations. Since October, when the current down phase of the recession began, momentum (resulting in the nearly 5 per cent annual rate of decline of real gross national product in the December quarter) outstanding short term corporate loans have risen very rapidly.

Seasonally adjusted commercial and industrial loans by the large commercial banks rose from \$188,000m in October to \$199,000m, in the first two weeks of February. This rise of \$11,000m compared with the rise of \$16,000m between January and October last year. Thus in the period since October these short term corporate bank loans have been rising at an annual rate of something like \$40,000m a year while in the nine months to October they were rising at only about one half that rate.

The exceptionally sharp rise in corporate short term bank borrowing reflected the fact that corporations were caught wrong-footed by the steep decline in output in the fourth quarter of 1981. They had been encouraged to believe by the "consensus" forecasts of American economists that there would not be a steep decline in real GNP in the fourth quarter.

BANAMEX

# BANCO NACIONAL DE MEXICO, S.A.

A Private Banking Institution  
Isabel la Catolica 44 — Mexico I, D.F.  
Telephone 5-18-90-20

CONVENING NOTICE

The board of Directors of the Banco Nacional de México, S.A., in its meeting of the 26th of February of the current year, resolved to convene the Shareholders in an ORDINARY GENERAL MEETING which will take place at the Head Office of the Institution, situate in No. 44 Isabel la Catolica, of this City, on Friday the 26th March 1982 at 10.30 am, in order to deal with the matters contained in the following:

AGENDA

1. Presentation of the Directors Report, including the financial statements relating to the 1981 financial year, in accordance with the provision of the General Law on Commercial Companies, the discussion and approval thereof, if required, after the Auditors Report has been read out.
2. Proposal and resolution on the allocation of the Profits.
3. In accordance with the Articles of Association, to establish the number of the Members of the Board of Directors for the period ending at the time of holding the 1983 Ordinary General Meeting and the election of the Directors as appropriate, fixing the term of their mandate.
4. Election of the Auditors.
5. Remuneration of the Directors and Auditors.

In order to be entitled to attend the Meeting, the Shareholders must obtain, not less than three working days, prior to the holding thereof, the appropriate attendance card from Companies Services Department, situate in the Head Office of the Bank, No. 44 Isabel la Catolica, Mezzanine Floor, Mexico I, D.F.

(a) The shareholders of registered shares, shall do so on direct demand or through their legal representative, provided that their shares are entered on the Company's register of shareholders and,

if necessary, on the National Register of Foreign Investments.

(b) The shareholders of bearer shares shall do so against deposit at the Head Office of the Bank or production of proof of deposit issued for the purpose by any office of the Bank in the Republic, by a Credit Institution legally permitted to carry on business in the country, or any other organization legally authorised for the purpose.

The deposit abroad must be made eight calendar days in advance at the following offices of the Bank: London, England Branch, (Winchester House, 77 London Wall); New York Agency (375 Park Avenue); Los Angeles, California Agency (800 West Sixth Street Suite 1616); Representative Offices in Paris, France (99 Avenue des Champs Elysees); Madrid, Spain, (Serrano No. 41 6th Floor, Apt. 9); Tokyo, Japan (Kokusai Building No. 710, 1-1 Marunouchi 3-Chome, Chiyoda-Ku).

Attention is drawn to the shareholders that in accordance with what is laid down by Paragraph IV and of Article 8 of the General Law bearing on Credit Institutions and Contingent Organizations, proxies or agents may not attend the meeting in their own name without producing proof in writing of the status in which they appear and indicating the name of their principals or their appointer and the number of shares belonging to these latter.

City of Mexico, 1st March 1982

(signed) M. Lizardi A.,  
Lic. Manuel Lizardi A.,  
Secretary

(signed) A. Legorreta  
Agustin F. Legorreta  
Chairman



PEOPLE  
SUNDERLAND  
book call

EXFORDSHIRE  
Mothers in

KILHAMPTON  
conference

NEW  
APPOINTMENTS

Mr S. J. Salmon  
Sunderland group  
to Paul Breach  
member of Seaton  
been moved to  
managing director  
Mr John Mitchell and  
have been second  
creating directors  
from Seaton to  
the director of Tele



## BUSINESS NEWS/FOCUS AND COMMENT

## INTER-CITY

## PEOPLE

**Woodlanders**  
**Bank call**

Mr Wright is the National Trust's adviser on conservation and woodlands in the south of England. In 1978, he was the first to call for a "case for conservation" over woodland in the south of England.

The commission is busy with the task of woodland, but there have been fears that new owners might be sympathetic to the conservation of woodland.

Particular, there are two trusts belonging to the trust, where the commission has a lease — a 578-acre estate at Buscot, Oxfordshire, and a 808-acre estate at Stanton, Shropshire.

Mr Wright tells me, the National Trust is feeling the pressure with the recent decision of the Forestry Act, which does not give the trust the power it wanted to veto the sale of land, but the commission has received assurances from the Agriculture Minister, Mr Peter Walker, that its interests will be borne in mind.

Fully enough, the first bit of NT land subject to a commission lease to come for sale was offered in the trust itself. This was a small woodland at Dolaucothi, Monmouthshire, the trust declined the offer, and there, for the moment anyway, the matter rests.

## HERTFORDSHIRE

## Mothers in lore

There are two new faces at F International, the Berkshire-based computer systems house, many of whose workers are mothers of young children.

The two faces belong to Jane Tozer, who has a son a year old, and who, since 1978, has been the F's business development manager, and Ann Budge, who has a daughter of nine. Ann Budge is to be area manager for F's new Scottish sales office in Edinburgh.

Jane Tozer's brief is to take F International into new areas of computing, service, and Ann Budge's is to exploit Scottish opportunities, revealed in a recent feasibility study.

## SOUTHAMPTON

## In conference

Jack Newby, the director of Electrical Contractors' Association, has come to the parting of the ways with his senior deputy, Nick Cory.

Newby, an ex-PA management consultant, has been director for the past 2 1/2 years. Cory, a long-time ECA man, has been deputy director for the past three years. One of Cory's duties at ECA was to organise the association's annual conference, in which capacity he won an award last year from the Association of Conference Executives.

This is a pointer to what Cory will be doing next. He has formed Nicholas Cory Ltd, his own conference and communications firm, in Havant (Southampton), and London.

He is now in talks with Southampton businessman Norman Kemish about "business development".

Kemish, a former stand-by comedian, is now with his partner, John Gale, an electrical contractor and co-owner of the Southampton Boat Show. But perhaps more to the point, Kemish becomes president of the Southampton Chamber of Trade in May.

Graham Barnack comes up with some fascinating nuggets in his work as managing director of the Economist Intelligence Unit and a member of the Economist's Advisory Group. Which part, would you think, is "surpassed as a natural harbour" only by Sardinia and Rio de Janeiro?

## NEW APPOINTMENTS

Mr S. J. Salmon has been appointed group financial controller of Bournemouth Holdings.

Mr Paul Bredon, managing director of Bournemouth Holdings, has been promoted to vice-president and marketing director of Bournemouth Holdings.

## Weather-beaten tourist industry seeks an investment umbrella

The leisure complex that puts a wide range of attractions from night clubs to wave pools under one roof is already proving a success as a way for Britain's tourist industry to beat the weather.

The most elaborate example, the Great Yarmouth Marina Centre, promises to be well into its first year of operation after a winter season which has surprised — pleasantly — its managers. There are similar centres — on a more limited scale — at Rhyl and Swansea in Wales and on the Isle of Man (the re-built Summerland).

But if Mr Michael Montague, chairman of the English Tourist Board (ETB), gets his way, they will soon be appearing in an increasing number of resorts, both on the coast and inland.

New ways of funding projects and a policy switch by government on geographical "limitations" on tourist development are, however, crucial to this and other schemes envisaged by Mr Montague as a way of rescuing England's faded tourist performance.

Last year Britain had its biggest tourist deficit yet — £1.25bn, £245m more abroad than it earned in Britain. Nine per cent more Britons went abroad, while overseas visitors to the United Kingdom declined seven per cent.

The ETB's plan involves three main elements. One is making greater use of low-interest loans from the European Investment Bank (EIB). These are currently running at £12m a year but there now seems an increasingly good chance of pushing this nearer to £20m a year for the next two years.

A £7m hotel at Harrogate, complementing the town's new conference centre, is demonstrating the investment gearing to be expected from EIB loans. There £2.5m in EIB loans went in, linked to cash from a City institution and with some involvement by the local developer.

The EIB loan, and the ETB's role in helping to get institutional backing, made it possible to get the scheme for the 230-bedroom hotel off the ground, according to the local developer, Mr John Abel, a Harrogate hotelier.

Institutional money is the second element in the ETB's plan.

Mr Montague says: "City institutions have not been over-enthusiastic about putting money into tourist development and that, probably goes back to when they saw too many fingers burned when the property market crashed. What we have argued is that, even though hotels or other developments may have been involved, it was a property market problem, not just a tourism one."

The point is getting home, he believes. In the drive to get investment in inner city areas, institutions could also find themselves involved in tourist development.

The more sympathetic approach by institutions is encouraged by the soft-loan element injected by the EIB.

At the moment, however, an investment package like this can only be put together effectively in development areas. EIB money is tied to such areas, so is any assistance from the ETB from its current annual budget of £12m.

At Scarborough, for instance, a £6m programme which included renovation of the Spa conference complex and upgrading of local hotels, was able to attract around £1m from the EIB and a similar amount from the ETB.

But there are tourist centres in non-designated areas which deserve help as much as at Scarborough, Mr Montague maintains. There are resorts on the south coast from Margate to the West Country where high unemployment could be alleviated by tourist development, he says.

Loosening this development area straitjacket is the third element needed if the ETB's plans are to achieve maximum impact. There are signs that Whitehall may accept this thinking, although whether Brussels would widen the base for EIB loans is another matter.

The continued restriction of EIB loans to the development areas is not the only possible problem there. If interest rates in the United Kingdom were to decline relative to those in Europe, the EIB terms would be less attractive.

That emphasizes the importance of efforts like those of Mr Montague to win the institutions over to the merits of tourist development.

If the ETB is given the go-ahead to extend its investment activities geographically, its present level of resources will look rather meagre which should provide the impetus for putting together more deals involving institutions and local developers.

Perhaps next year the ETB might have some chance of getting more money for getting tourist projects if only on the argument that the industry is labour-intensive and stands a good chance of reducing unemployment.

But the encouraging development for the ETB is that when it does decide to support schemes, albeit in small measure in actual cash terms, this increasingly is proving sufficient to persuade institutions to move in with their substantial backing.

Mr Montague would also like to see more emphasis on improving resort attractions.

Relaxing at the Great Yarmouth Marina Centre — an all-weather lure for tourists

"I suspect that tourist attractions are at least as important to if not more important than the accommodation on offer," he said. "We do not need more hotel rooms, although quality needs to improve, more central heating, less sharing of loos."

He regards the £5.7m Great Yarmouth complex as a textbook example for other resorts. "Within five years I expect to see at least a dozen such centres around the country," says Mr Montague.

Facilities in the beach-side building include a pool with waves lapping onto warmed tiles, a variety of sports facilities, an entertainment plaza, amusements, catering areas and a discotheque. On Caribbean evenings by the pool the lights are dimmed, steel bands play and the food and drink have a tropical touch.

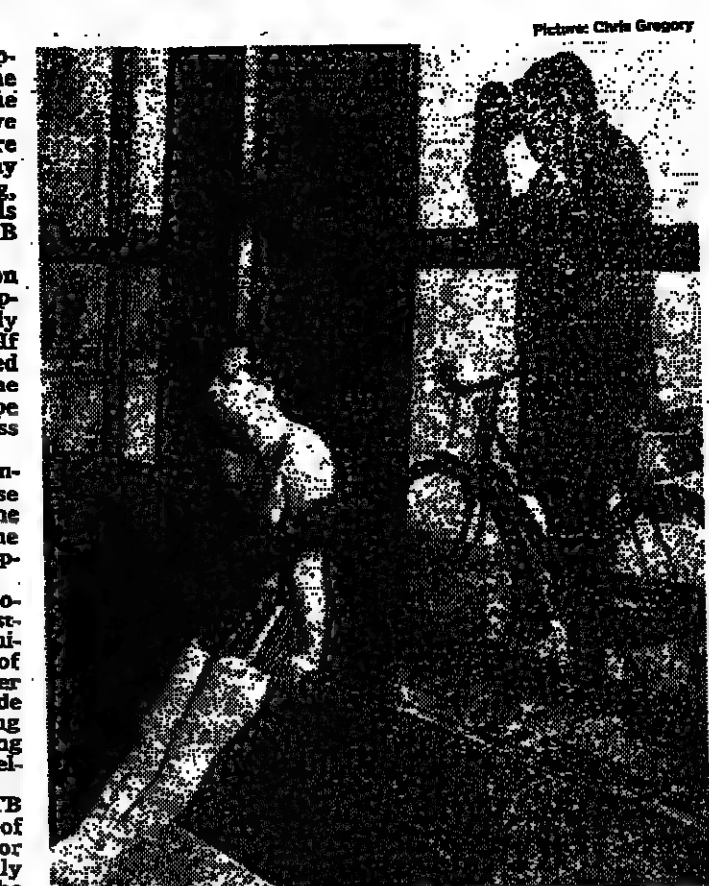
The local authority, faced with doing something about an old open-air seawater pool, got the project on the road with the backing of the National Coal Board Pension Fund. That avoided the problem of barking shins against public sector borrowing limits.

Mr Chris Barnard, the general manager, expects the first year's trading surplus at least to meet payments due to the pension fund.

When the centre opened last summer 5,500 people a day paid 40p (half price for a child) to get into the complex. Almost as many passed through the turnstiles in the autumn, according to Mr Barnard.

"People are coming for the day or for the week-end and from quite far afield. We did not expect to make any money in this first winter; in the event we could be near to breaking even."

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Business Editor  
Aiming for lower interest rates

"In the year ahead the burden of income tax and excise duties has to rise in order to secure lower interest rates and thus improve the prospects for industry and employment," thus said Sir Geoffrey Howe a year ago.

This time the Chancellor will presumably not need to be quite so harsh when it comes to the tax burden, though it remains hard to see that he can avoid raising it slightly to meet the proposed increase in National Insurance contributions.

The point, however, is that the broad thrust of the strategy is clearly going to remain the same — a tight fiscal policy in order to leave room for a progressive fall in interest rates.

The cynics might be forgiven for recalling that Budget day last year produced both the first and last steps on the road to lower interest rates. Minimum Lending Rate, for those who remember it, was cut from 14 to 12 per cent. But after the first bout of euphoria, interest rates, both short and long term, then proceeded to move steadily higher. Bank base rates were hiked up to 16 per cent by early autumn and still stand at 13 1/2 per cent.

So what are the chances of things running rather more kindly for Sir Geoffrey this year?

On the domestic front, the major worry must be the strength of the economic recovery and the kind of wage pressures which that produces for the next year round.

For one starts from the relatively tight position where consistency with the Medium Term Financial Strategy provides for monetary growth (whether or not specifically pinned to sterling M3) of 5 to 9 per cent. As in America, the monetary authorities over here will doubtless expect growth to be near the top end of that range. Even so, some increase in the velocity of circulation is required to finance a prospective increase in money GDP over the next 12 months of perhaps 11 to 12 per cent.

That may not in itself seem unreasonable. But the issue becomes rather more worrying if one looks at it from the viewpoint of a likely credit demand required to finance recovery, particularly to finance upward swing in the stock market.

The latest year's figures for bank lending to the private sector have, of course, been inflated by the banks' rapidly expanding share of the mortgage market. But that hardly makes the position any more comforting.

If one assumes that the Government can fully fund its borrowing requirement in the non-bank market without too much difficulty (thus making no contribution to monetary growth), the expansion of banking credit to the private sector needs to be consistent with a maximum implied growth in sterling M3 of less than £8,000m.

In the latest 12 months, taking in a period of heavy destocking by industry, bank lending to the private sector has grown by £11,400m (or over 20 per cent). During the past six months, as destocking has started to wane, it has grown at an annual rate of £17,500m. Can the private sector's appetite for credit grow still further?

On the face of it, the figures for the last six months — an annualised rate of increase of a good 30 per cent — need to be unsustainably high. Indeed, it may well be that the financing of tax payments deferred by the civil servants' dispute last summer has significantly distorted the trend.

However, in spite of the improving picture in corporate profitability, it still seems likely that the financing of higher activity will push the corporate sector firmly into financial deficit this year.

The Chancellor may, of course, propose direct measures to relieve industry's cash flow problems, either by way of a lower

National Insurance surcharge or some scheme for the payment of interest net of tax. Alternatively, or additionally, the Chancellor may well feel that the outlook for inflation is sufficiently improved this year to offer a more realistic prospect of the fall in long term yields required to persuade companies to start refinancing their bank borrowings in the long term capital markets.

Developments on these two fronts and, perhaps, an odd reminder to the banks to watch their lending to the personal sector may be enough to see us through. Doubtless the trend in long term interest rates and PS2 (the broad measure of private sector liquidity) will also be used to offer guidance as to the strength of total credit demand in the economy.

Even with favourable developments on the credit front, however, it is difficult to envisage a precipitate fall in interest rates. It would be surprising were the Government prepared to see real interest rates returning to more than 10 per cent. More probably, it would be content with a real yield curve, rising say from two per cent at the short end to three per cent further out.

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## The threat to Belgium's unity

## INTERNATIONAL OUTLOOK: STEEL INDUSTRY

By Peter Norman

Brussels. The long-running crisis in the South Belgian steel industry threatens to get out of control.

The outward symptoms over the past two weeks have been strikes and demonstrations in the steel towns along the Sambre and Meuse Valleys as workers have followed the call of their unions to protest against the likelihood of job losses.

But the economic problems of the industry, centred on the ailing Cockerill Sambre steel concern, have begun to shake personalities and institutions far beyond the grimy manufacturing centres near Liege and Charleroi.

The future of the steel industry in southern Belgium has put the Government in Brussels on a collision course with the EEC Commission.

It threatens to erode the position of Viscount Etienne Davignon, the Belgian national who is EEC Commissioner for Industry and Energy, and until now the undisputed star in the European Commission.

The steel dossier has landed back on the Belgian Cabinet table with a thump and ended the political honeymoon for Mr Wilfried Martens, last year's coalition government which took power in the middle of December.

Mr Martens, by obtaining special executive powers from parliament, made an impressive start on his duties of public restraint and enterprise. But the steel crisis has provided a focus for opposition from both Christian and socialist trade union organizations in southern Belgium and the French-speaking Socialist Party, which for the first time in many years, is outside the government.

Some observers even believe that the problems of the steel industry in French-speaking Wallonia could accelerate the break up of the Belgian state.

The prospect of the Walloon steel industry being a continued drain on government funds has provoked flanders in Flemish-speaking areas for regional financing of Belgium's problem industries that would inevitably lead to a further weakening of the links between the two linguistic communities that live uneasily side by side in the kingdom of the Belgians.

Strangely enough, these calls have been echoed by French-speaking politicians



Striking Belgian steel workers showed a united front last week, but the crisis-hit industry threatens to split the country

and union representatives, who, apparently ignoring the heavy financial burden that regionalization would mean for the south, want the South Belgian steel industry to be controlled by the Wallonians themselves.

Cockerill Sambre, the company at the centre of the conflict, is 80 per cent owned by the Belgian state. It was formed last year from the Cockerill Steel Company of Liege and the Hainault Sambre group of companies based in Charleroi, about 55 miles to the west.

By all objective criteria it should have been declared bankrupt long ago.

The group owes its existence to the enormous amounts of government aid pumped into its constituent parts since the beginning of the steel crisis in 1974. The official purpose of the aid — to enable the industry to restructure — was quickly forgotten as funds were used to stem losses and maintain a production capacity of 8.5 metric tonnes of steel a year and a workforce of around 25,000 men.

This prodigious expenditure of public funds was finally halted by the European Commission last week.

After a tense round of talks, Viscount Davignon rejected key parts of a Belgian Government rescue plan for the Cockerill Sambre group on the grounds that the restructuring elements in the scheme were insufficient to return it to profitability.

The commissioner disclosed that a McKinsey consultancy

team has predicted that the group, which lost 17,000m Belgian Francs (£213m) last year, could still expect deficits of between BF5,700m and BF18,000m in 1983 depending on the state of the steel market if the Government's proposed BF27,000m aid and restructuring package as accepted in full.

Under a code of practice adopted by the EEC member states and enforced by the commission, state aid for the steel industry has to be phased out by the middle of the decade. Viscount Davignon was left with no choice but to reject the package.

Although the commission accepted the need for BF21,000m of aid, its decision to block a BF5,000m tranche intended to finance a new continuous casting plant at Seraing brought the crisis to a head.

The decision, based on McKinsey's prediction that the plant would lose nearly BF300m a year, not only pushed the dossier back to the Belgian Government, it also stoked up trade union hostility.

For Seraing, once the home of the Prince Bishops of Liege, is also the power base of the formidable socialist trade union leader, Mr Robert Gillon. The slow death of Seraing as a steel-making centre, implied in the decision, has left Mr Gillon with nothing to lose and everything to gain in a fight to the finish with the commission and the Belgian Government.

The Belgian steel plan has been described as an unexpected bomb that could blow up in the face of any person

or organization going too near it.

Commissioner Davignon already bears some scars. The Government in Brussels, dominated by Flemish-speaking Christian and liberal politicians, has been nearly stepping the steel problem on the back to the commissioner, who as a French-speaking Socialist Christian must look for his political constituency to the south of the country.

Davignon, who would be involved anyway as a result of his European functions, is doubly implicated because over the years he has insisted, for domestic political reasons, on taking part in the decision making on the restructuring of the southern Belgian steel industry.

Inevitably Flemish-speaking socialist politicians and trade unionists are holding the commissioner partly responsible for the 5,000 or more jobs that will be lost in an already depressed part of the country if Cockerill Sambre does not get its fourth continuous casting plant in Seraing.

The social unrest that has accompanied the Cockerill Sambre issue has taken some of the glitter off Mr Martens' fifth government and could weaken his support in the business community. The strikes, demonstrations and threats of a "march on Brussels" have brought to the fore the long upsurge of Belgian stock prices that followed this Government's creation.

The loyalty to the centre-right coalition of the French-speaking Social Christians could also be put to the test as this party has been in

internal disarray following heavy losses in the general election.

But the Cockerill Sambre case also poses a question mark over the future of Belgium itself.

Mr Martens's present fifth government and his fourth administration which was in power last winter distinguished themselves by showing a determination to tackle the grave economic problems afflicting the Belgian state.

The Cockerill Sambre issue, by provoking calls for a regionalization of steel and the other problem industries of coal mining, textiles, glass making and shipbuilding, threatens instead to revive the fruitless quarrelling in Belgium between the Walloon community in the depressed south and richer, Flanders in the north.

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Capitalisation 2000's	Company	Change in Price 50c week	Gross Div(%)	Yld %	Actual	P/E
1,243	Ass Brit Ind CULS	125 +1	10.0	8.0	—	—
4,168	Aspirin Group	72 +2	4.7	6.5	11.4	15.8
1,125	Armstrong & Rhodes	45 —	4.3	9.6	3.8	8.5
12,098	Bardon Hill	198 -2	8.7	4.4	9.6	11.7
1,313	CCL 11% Cap Prf	105 +5	11.7	15.0	—	—
5,107	Deborah Services	66 -3	6.0	9.1	3.3	6.2
4,143	Frank Horsell	130 -1	6.4	4.9	11.7	24.1
11,702	Frederick Parker	81 -2	6.4	7.9	4.1	7.9
960	George Blair	52 —	7.3	—	—	—
3,858	Ind Prc Castings	95 —	7.3	7.7	6.8	10.2
2,544	Isis Conv Pref	106 —	15.7	14.4	—	—
2,429	Jackson Group	106 -1	7.7	7.3	3.0	8.0
1,125	James Bannatough	112 —	8.7	7.8	8.2	10.5
2,550	Robert Jenkins	250 —	31.3	12.5	3.5	8.5
3,060	Scruttons "A"	61 +1	5.3	8.7	9.4	9.4
3,881	Torday & Carlisle	159 -1	10.7	6.7	5.1	5.1
2,885	Twinklodd Orr	134 —	—	—	—	—
2,129	Twinkl 15% ULS	78 —	15.0	39.2	—	—
3,815	Unitel Holdings	25 —	3.0	12.0	4.5	5.1
3,780	Walter Alexander	77 +1	6.4	8.3	5.1	5.1
5,251	W. S. Yeatens	225 -3	13.1	5.8	4.3	4.3



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## SPORT

## CRICKET

## Yorkshire to let Boycott see out his contract

By John Woodcock

After a winter spent agonising over the future of the Yorkshire cricket committee, the Yorkshire committee announced at Headingley yesterday that, for the moment, they would let bygone be bygone. Other than setting up a free-man committee, consisting of two of the county's former captains, J.R. Burnett and R. G. S. Woodcock, and one of their greatest bowlers, F. S. Woodman, with strong executive powers, the status quo continues.

To have sacked Geoff Boycott might have cost the county his best part of £50,000, his salary, that is, plus the cost of the special general meeting which such a move would undoubtedly have prompted, plus a considerable loss in membership and the likelihood of litigation.

Although at the end of last season all but two or three of the Yorkshire side expressed a wish not to play with Boycott, many were swayed, in fact, by a poll taken at a highly emotional time, he is to be allowed to see out his contract, which expired in September.

The same applies to Chris Old, the captain, and Ray Illingworth, the team manager. In the case of Old and Boycott, the committee decided that it was irrelevant whether or not they approved of their currently being in South Africa.

The text of the statement issued by Yorkshire chairman, Michael Crawford, said:

"The committee has decided that the respective contracts of Ray Illingworth and Geoff Boycott shall be honoured for the remainder of their periods, but which covers the 1982 season. The difficulty of establishing a new spirit and unity is openly recognised and free efforts are being made to ensure that past enmities are forgotten and harmony is restored."

To this end, the committee has appointed Mr. R. Burnett (former captain) and Mr. F. S. Woodcock (former bowler) to the free-man committee. This committee will be available to help the manager and captain to resolve immediately any problems which may arise on a day-to-day basis.

To take action against them for that would be adding fuel to the fire. The idea of holding a referendum among Yorkshire's 5,000 members as to whether or not Boycott's services should be retained is rejected. The committee has also decided that it is inappropriate, for the second time in a quarter of a century, to name a captain to Yorkshire. On the first occasion, in 1958, he did so with

spurious success — as a captain in the Brian Sellers mould.

Though not a good enough player to be in the side on merit, Burnett pulled Yorkshire together when it was needed and in 1959, his second and last season as captain, he led them to the championship. For what he did then he has the gratitude of all Yorkshiremen. His theme yesterday was one of engineering team spirit. "Harmony has to be restored," said Michael Crawford, chairman of the club.

Burnett, Sutcliffe and Trueman were chosen by ballot by their fellow members of the cricket management committee. That this should be done was decided after careful consideration of the "in-depth" report, initiated last autumn.

Many members will think that this investigation committee was about as effective as a glass-bottomed boat in mid-Atlantic. However, reconciliation was recommended as a possibility worth pursuing, and pursued it was.

For myself, I doubt whether Boycott and Illingworth will both be on the Yorkshire staff next season. From the start, he was in total command, but he was not to be a captain. If they are — all three of them — then Yorkshire will be on the road to recovery, and that would be something to be universally welcomed.

## A memorable Gooch innings

From Michael Horne, Port Elizabeth, March 7

South Africa celebrated the end of 12 years of isolation from the English cricket team by winning the first Test against Graham Gooch's visiting English XI in a one-day, limited-over match at St George's Park, Port Elizabeth, yesterday.

Under a sky of azure blue, tempered by a pleasantly cooling breeze, a capacity crowd of more than 15,000 spectators, many of whom were wearing their South African Colours, were treated to a feast of batting skills, of which a dazzling innings by Gooch was the most memorable.

Put in to bat by the Springboks captain, Mike Procter, on a pitch that still had some grass on it, the English batsman played a brilliant and entertaining match, but thanks mainly to a splendid 138-run third-wicket partnership between Gooch and Dennis Amis, the English side won the match by 240 runs.

Set to score at a rate of just over 40 runs an over, the Springboks knocked off the required total with three overs to spare, and for the first time since 1967, the English side found themselves in a position where they were not only batting but also chasing a target.

Whatever view one takes of the rights and wrongs of the English tour, this was a remarkable performance by Gooch, as much for his brilliant batting as for his leadership. He was a real captain, and he was a real leader.

Gooch opened the English innings with Boycott, who went when the score was only seven. He was a real captain, and he was a real leader.

The first 50 runs of their partnership came in 55 minutes, and by the time Amis's share was just 22. Once Gooch had gone, however, well caught and bowled

by Le Roux, Amis opened the English innings with a century of 102, which contained seven fours and a six.

From the South African point of view, there was a certain amount of satisfaction in the fact that the winning stroke came from the bat of a South African, and that it was a South African who was the hero of the match.

Only three of the South African players played, and only one of them, Le Roux, scored. The other two, both of whom were new to the team, were out before they had time to play.

They did their country proud, however. Procter, batting in the first over, was out for 10. He was a real captain, and he was a real leader.

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## Chairman resigns

Lahore, March 7 — The cricket

crisis in Pakistan worsened when the chairman of the selectors resigned today, declaring he "did not want to be a party to the disintegration of cricket in Pakistan".

Mr. J. Iqbal, who had been in charge of the selectors since 1970, said he would not attend the meeting on Monday to select the Pakistan team for the second Test against Sri Lanka on March 15 at Faisalabad.

Mr. Iqbal alleged in his statement that Mr. Mansoor Ali Khan, chief of the Pakistan Cricket Board, had appointed Javed Miandad as captain of the Pakistan cricket team on his own "and without taking into consideration the views of the selectors".

Only one player failed to reach double figures for Sri Lanka, as they were bowled out for 167. The Pakistan team were bowled out for 167.

Mr. Iqbal's resignation was a blow to the Pakistan Cricket Board, which had been struggling to maintain the team's performance. He was a real captain, and he was a real leader.

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## An ideal Test workout

Christchurch, March 7 — Australia's

batmen today got the practice they were looking for in a three-day, limited-over match against New Zealand.

The match was a real workout for the Australian batsmen, who were looking for a good run of runs. They were a real captain, and he was a real leader.

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## Shale and farewell for Davis Cup Britons

From Rex Bellamy, Tennis Correspondent, Rome, Mar 7

Three experienced Italians who are on their way over to beat Britain 3-2 in the first round of the Davis Cup tie that ended here today, have been playing for a long time. They have been playing for a long time.

The second point is that Paolo Bettolini emerged from self-doubt to give a dazzling performance in yesterday's doubles, on which the tie hinged. The third is that at the age of 31, Adriano Panatta is still a force to be reckoned with.

Steve Paul, the defending champion and the only Briton to make the final, drew Michel Salles (France) and, after a good start with the score at 2-1, lost the match. Salles changed his lead, when he started to dominate the fight. When the score reached 3-2, Paul took a chance with a fluke (winning) attack, was parried by Salles and eliminated.

Neil Muller (GB) was unlucky to be eliminated only one hour away from his first Martini final when he lost 10-9 to Goran Malmqvist (Sweden).

The finalists were fortunate to have their introduction to the final round of the Davis Cup by a very close match. The match was a real workout for the Australian batsmen, who were looking for a good run of runs. They were a real captain, and he was a real leader.

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## Mazzoni counters a controlled challenge

The 23rd Challenge Martini

Epée competition, held in London on Saturday, was won after an exciting series of very close fights by Angelo Mazzoni, from Italy. Hilary Crewther, from England, was the runner-up.

Fighting for a place in the final of eight, Mazzoni won the first of four consecutive 15-9 victories when he fought the 1978 champion, Philippe Boisse (France). Next came Stefan Ganev (Bulgaria) and Olivier Lenglet (France), who also failed to score the crucial last hit.

The fight for first place provided an interesting contrast in style between the very controlled and disciplined Boisse and the flamboyant and mobile Mazzoni. With the fight score again 15-9 the Swiss attacked, missing his opponent with Mazzoni's counter-attack found its target.

Mazzoni, aged 20, who has been fencing since the age of six, is the European champion and winner of the recent Moulé event in Paris.

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## Hertfordshire well placed

By Sydney Friskin

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## Bronze remains Britain's favourite medal colour

From Michael Coleman, Milan, March 7

Bronze for Mike Wendy Hoyte in the 50 metres race on Saturday's 3,000 metres, was all Britain could salvage from the European indoor championships here.

There are plans afoot to launch an indoor world championship by 1985, with Coe and Co travelling round the globe for 12 months of the year playing to packed houses.

It could work, judging from the thrilling stuff served up non-stop in the breaking news of the day. The British team were in a very good position to win the title. They are a real captain, and he was a real leader.

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## Jones puts England first

By Norman Fox, Athletics Correspondent

By electing to miss the Golden Marathon in Greece, Hugh Jones, who has been a member of the British team for many years, has put England first.

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## The battler of Marathon

From Mario Mediano, Athens, Mar 7

Rodolfo Gomez, of Mexico, won the Golden Marathon today, entering the Athens Olympic Stadium with a comfortable stride under a steady drizzle, two hours 11 min 49 sec after setting out from Marathon village, a true reflection of the toughness of the classical

race was Max Coleby, aged 33, from Dartington, who came fifth in two hours 17 min 57 sec. He complained about the "sloping state of the road" under the heavy rain that drenched the runners after the 23rd kilometre.

Nick Brown, a promising Londoner, who was doing well until the 23rd kilometre, dropped out after the twenty-eighth, involving a bad cold.

Vladimir Kotov, of the Soviet Union, was second in two hours 13 min 34 sec and Greg Meyer (US) third in two hours 14 min 7 sec — all ahead of the world record set in 1969 by Bill Adcock in two hours 11 min 7 sec.

The only Briton to finish the race was Max Coleby, aged 33, from Dartington, who came fifth in two hours 17 min 57 sec. He complained about the "sloping state of the road" under the heavy rain that drenched the runners after the 23rd kilometre.

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